

CURRENT *History*

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MAY 1967

BRITAIN AND THE COMMONWEALTH

BRITAIN IN THE WESTERN ALLIANCE	<i>Arthur Campbell Turner</i> 257
POLITICAL CHANGE IN GREAT BRITAIN	<i>Richard Rose</i> 264
THE BRITISH ECONOMY	<i>Ann D. Monroe</i> 270
BRITAIN'S INFLUENCE IN AFRICA	<i>David J. Murray</i> 276
CANADA AT A CENTURY	<i>Craufurd D. W. Goodwin</i> 282
INDIAN-PAKISTANI RELATIONS	<i>Ross N. Berkes</i> 289
THE CHANGING FACE OF AUSTRALIA	<i>Charles B. Hagan</i> 295

REGULAR FEATURES

MAPS • <i>United Kingdom</i>	263
<i>Canada</i>	285
<i>India and Pakistan</i>	291
<i>Australia</i>	297
CURRENT DOCUMENTS • <i>The Twenty-fifth Amendment</i>	302
BOOK REVIEWS	303
THE MONTH IN REVIEW	309

FOR READING TODAY...FOR REFERENCE TOMORROW

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July, 1967

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August, 1967

HIGH SCHOOL DEBATERS: Note these 3 issues on the 1967-1968 N.U.E.A. debate topic.
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NO ADVERTISING

CURRENT History

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In this issue seven specialists evaluate the strengths and weaknesses of Great Britain and some members of the Commonwealth. Discussing Britain's "changed—and diminished—significance," our introductory author points out that "Britain still has much to contribute either to its 'special relationship' with the United States, or to Europe."

Britain in the Western Alliance

By ARTHUR CAMPBELL TURNER

Professor of Political Science, University of California, Riverside

WHEN SIR WINSTON CHURCHILL died, in January, 1965, the event was widely and justly regarded as marking with a certain symbolic appropriateness the end of a historic epoch. It was the end of the period when Britain ranked as a first-rate power with a genuinely independent policy of its own. A precisian might point out that in truth the demise of Britain as a great power long antedated the demise of the great man whose life was so intimately bound up with that concept. In a sense, the transition occurred during Churchill's first premiership (1940–1945)—in fact, in 1941, the year when the United States and the Soviet Union became embroiled in the war and it became clear that the victory would be achieved (and the peace shaped) by these nations rather than by Churchill and Britain. The British Empire in its historic form really perished on February 15, 1942, the day Singapore capitulated to the Japanese. The brief postwar restoration of Britain's empire in the Middle and Far East could only be temporary. Again, the Suez fiasco of 1956 marked Britain's last

attempt to defend what it conceived of as vital interests in defiance, if necessary, of the views of the rest of the world—a defiance which is the essential hallmark of great power status.

There is much that is valid in the selection of these other milestones. Great changes in the configuration of the world scene seldom occur overnight. They may take years or even decades to work themselves out, or at any rate to be fully recognized for what they are. And in fact it is in the three-year period since Britain's role was last examined in depth in this journal¹ that Britain's changed—and diminished—significance has moved from being controversial to being commonplace. These years saw the death of the 90-year-old Churchill. They also saw events of more substantive import. They saw the return to power of the Labour Party. They saw the new Labour government's efforts to rationalize British defense policy, enunciated in a series of important public documents, and already being carried out. These decisions involved, among other things, a crucial—and for many British people excruciating—decision at the expense of the Royal Navy. The new Labour government has also resumed the British attempt to

¹ *Britain and the Western Alliance, Current History*, May, 1964.

enter the European Economic Community (Common Market, or E.E.C.). It is the purpose of this article to weigh the effect of these recent developments on Britain's strategic and political role within the Western Alliance.

A WEST EUROPEAN QUADRILATERAL

To begin with basic and central aspects of the British situation, Britain is now one of a group of advanced West European states with a population in the middle range, neither in the giant population group of China, India, the U.S.S.R. and the United States, nor in the now over-numerous class of the states of very small population. It is, to be precise, one of a class of four states, of which the others are France, West Germany and Italy.

Recent history has had a curiously equalizing effect on this quartet. British power has diminished and Germany has been partitioned; on the other hand, Italy (the weakest of the four) has been in part industrialized and has become more prosperous, and France has become a great deal more stable and prosperous. The result is that the disparities among these four are now much less than they were. All have populations around the 50 million mark. Differences in national area are not great, though France is by a comfortable margin the largest. All are in some degree, or completely, industrialized; all, at least for the moment, enjoy stable and democratic governments. They resemble one another much more than they do any other European states, which are all (apart from Russia) either much smaller or much poorer, or both.

These four states form a kind of West European quadrilateral. Three of them are linked as members of the Common Market; Britain is the odd man out. If the four of them could be brought together in some close economic or political bond, they would form a power on the scale of the United States or the Soviet Union.

Such a development is one of the conceivable future objectives of British policy. For the present, however, it is no more than a remote and fascinating possibility. It is important to realize the extent to which British

orientation remains extra-European, and how far Britain still bears the burden of obligations and commitments widely dispersed in many parts of the world. These are partly the inheritance of imperial days, partly the result of British participation in the enthusiastic American policy of constructing international security treaties on a regional basis in the late 1940's and early 1950's.

Thus Britain still has, first, a direct responsibility for the defense of its remaining dependent empire, which amounts to some 30 territories and single islands or groups of islands. Nearly all these possessions are quite small, but they are scattered all over the world. Britain is a member of the North Atlantic Treaty Organization (NATO), and thus is involved in the defense of Europe (plus Turkey) and North America. Within the NATO alliance, in common with France, the Benelux countries, Italy and West Germany, Britain also has mutual defense obligations under the Brussels Treaty of 1947 as revised in 1954. Along with Turkey, Iran and Pakistan, Britain is a member of the Central Treaty Organization (CENTO), founded on the Baghdad Pact of 1955. The United States has always adopted a somewhat equivocal attitude to CENTO and, although associated with it, is not a member. Britain is a member of SEATO, the Southeast Asia Treaty Organization.

In addition to these organizational obligations, there are a considerable number of bilateral ones. Britain has a defense agreement with Malta, and obligations to aid in the defense of Cyprus and Libya. There is a defense obligation toward Malaysia, formerly Malaya, which caused Britain to be involved in two (successful) wars in the Far East in the last 20 years: the first against communist guerrillas, and the second (1963-1966) against Indonesian "confrontation." There is the same obligation in respect to Singapore, still the pivot of British operations in the Far East. Lastly, there is a whole series of defense treaties with Arab rulers around the south and Persian Gulf coasts of Arabia—South Arabia, Bahrein, Qatar, Muscat and Oman, the Trucial States and Kuwait.

No other country, except the United States, has such a range of commitments. Indeed, in this sense Britain is still a world power second only to the United States²—that is, if being a world power is defined in terms of having worldwide commitments and interests, rather than in terms of the power to fulfill these commitments and defend these interests. Little wonder if in recent years this has been found to be an uncomfortable situation.

CONTROVERSIES OVER DEFENSE

Policy on strategy and defense has been a subject of considerable controversy in Britain in recent years, and the controversy and the uncertainty remain. The whole history of the subject is a rather unhappy one, in which neither of the major British parties has been immune from inconsistency, bad judgment and bad luck. Perhaps it is not too partisan to suggest that the Tories have had a little more bad luck than their opponents, and that Labour policy has been the more inconsistent.

Both parties, however, are wrestling with an intractable situation and several unthinkable eventual possibilities. For the United States and the Soviet Union, there is perhaps some possibility of surviving a nuclear war; such a possibility hardly exists for the small and crowded countries of West Europe. And at the level of conventional warfare, Britain's extended commitments constitute an honorable but overwhelming burden which, in the dismally sluggish state of the British economy, can neither be easily borne nor gracefully unloaded. To unload them at all is an admission of national decline and of retreat toward lessened international significance.

Under the Conservative administrations which ruled Britain from 1951 to 1964, there were some significant landmarks of defense

policy.³ Defense Minister Duncan Sandys' white paper of 1957 announced a reduction of British forces in Germany from 80,000 men (the level at which Britain in 1954 had undertaken to maintain the British Army of the Rhine) to 55,000 men. It also announced the forthcoming end of conscription, and the decision to develop a British intermediate-range missile, the *Blue Streak*. However, in 1960, *Blue Streak* was cancelled on the ground of prohibitive cost, and British dependence on American technology was underlined by the alternative adopted—the prolongation of the useful life of Britain's V-bomber force by equipping V-bombers with the projected United States air-to-ground missile, *Skybolt*.

Alas, *Skybolt* too was later cancelled, and at the Nassau conference (December, 1962) Prime Minister Harold Macmillan accepted President John F. Kennedy's compensatory offer to sell Britain *Polaris* missiles, for which, however, Britain would supply both the nuclear warheads and the submarines. These nuclear forces were to be eligible for Britain's independent use when supreme national interests so required, but were to be normally assigned to NATO command: an unresolved paradox. Under NATO command, they were to form part of the multilateral NATO force (MLF) which Washington urged enthusiastically (but without success) on its allies for the next two years, that is, until the fall of 1964.

A further weapons imbroglio was the enormous sum (£250 million) spent in the early 1960's on the development of a sophisticated and versatile plane, the TSR-2, which was abandoned early in 1965 by the Labour government.

Prior to the return to power of the Labour Party in October, 1964, the main defense controversies focused on the question of whether Britain needed, or should have, an independent nuclear deterrent; and on the plans for MLF or some alternative means of nuclear sharing within NATO. In the past two-and-one-half years those controversies have receded into the background. The main defense debate currently concerns two other problems: the British commitment "East of

² Third on this scale would be France, which is a NATO and SEATO member; but her NATO membership is now nominal only, and she has dissociated herself from all recent SEATO decisions and pronouncements. France's active responsibilities—apart from worldwide cultural and diplomatic activity—are in practice limited to French-speaking Africa. There they are solid, and are taken seriously.

³ For a fuller account, see Allan S. Nanes, "Britain's Strategic Role," in *Current History*, May, 1964, pp. 269 ff.

Suez," and the scale of the British contribution to the NATO forces.

RECENT DEFENSE WHITE PAPERS

While the Labour Party was in opposition, it had made much comment on the abortive *Blue Streak* and *Skybolt* projects, had criticized the Nassau *Polaris* deal as involving Britain in large and unnecessary expense, and in general had attacked the Tory defense and strategic policy for its extravagance and "delusions of grandeur." In office it has been endeavoring to demonstrate that it can handle these problems better. The demonstration has not been entirely successful.

Basic documents for any serious study of present British strategy and policy are two official white papers, the *Defence Review* issued by the government in February, 1966,⁴ and the *Statement on the Defence Estimates 1967*, issued in February, 1967.⁵ The earlier document is the more significant in terms of charting a new course; the latter only spells out in more detail the development of the same tendencies one year later. It is necessary to indicate here some of the main points in both pronouncements, with a modicum of comment; but there is really no good substitute for a perusal of the originals.

The 1966 paper begins with the statement:

On taking office in October, 1964, the Government decided to carry out a far-reaching examination of the nation's defence needs in the next decade, with two objectives: to relax the strain imposed on the British economy by the defence programme which it had inherited, and to shape a new defence posture for the 1970s.

The second paragraph begins, "Military strength is of little value if it is achieved at the expense of economic health"—a statement which would possibly be equally or more valid if inverted; after all, in the words of the most eminent of British economists—Adam Smith—defense is more important than opulence. The Labour government set a target for 1969–1970 of spending not more than 6 per cent of the Gross National Product on defense, in

money terms a limit of £2000 million (\$5.6 billion) per annum, at 1964 prices.

It will be very difficult to hold to this limit, which the *Sunday Times* of London (February 20, 1966) called a "conjuring trick," the third such mystical figure to be pulled out of the air within ten years. In 1957, Macmillan had set the limit of defense spending at £1,500 million. By 1960, that had been far exceeded, and Macmillan adopted the new formula of 7 per cent of the GNP—actually achieved in 1964. The Labour government has been making valiant efforts to prune expenditures to remain within the limits which it has set.

On the possibility of a conventional defense of Europe, both white papers express the scepticism that characterizes the attitude of British Defense Minister Denis Healey:

Until progress is made towards disarmament, the only alternative to N.A.T.O.'s present dependence on nuclear weapons would be a massive build-up of its conventional forces in Western Europe. Even if Britain were prepared to face the heavy economic cost of this alternative, N.A.T.O. as a whole is not willing to do so. (1966).

It has been apparent for many years that none of the N.A.T.O. governments is willing to pay for the forces which SACEUR [Supreme Allied Commander, Europe] would need to carry out his mission as hitherto defined. Uncertainty about the war-time role of French forces further reduces the strength which N.A.T.O. can rely on. (1967.)

On defense commitments outside Europe, the 1966 defense review promulgated the doctrine that, while Britain should retain a military capability outside Europe, three general limitations should be applied: Britain would not undertake major operations of war except in cooperation with allies; no obligation to provide another country with military assistance would be accepted unless such a country was prepared to provide the facilities necessary to make such assistance effective in time; there would be no attempt to maintain defense facilities in an independent country against its will. The 1967 paper, while surveying with satisfaction British assistance to Malaysia in the jungle war with President Sukarno's Indonesia which ended in August,

⁴ British Parliamentary Paper, Cmnd. (Command Paper: London) 2901.

⁵ Cmnd. 3203.

1966, remarks, "Our aim is that Britain should not again have to undertake operations on this scale outside Europe."

"THE SHADOW OF WHAT ONCE WAS GREAT"

The 1966 defense review announced the government's historically significant decision not to build the hypothetical new aircraft carrier designated "CVA 01" to begin replacement of the existing four carriers. This means, in essence, that by the middle 1970's the Royal Navy will have ceased to have any carriers in service, and the Fleet Air Arm will no longer exist.

More broadly, it means a catastrophic, and presumably final, defeat for the sea power argument which has inspired so much of British history. It means the government's refusal to accept the view that carrier-based air power is more flexible and more reliable than land-based planes, and that often a fleet by little more than its mere presence can quell trouble—as was seen, for example, in East Africa in January, 1964. Decision was forced on the government by its assumption that Britain cannot afford two major weapons systems east of Suez. The one which looked more effective in terms of cost-analysis *à la Pentagon* was chosen.

The choice led to the resignation of Christopher Mayhew, who was the minister of defense, Royal Navy, while First Sea Lord Admiral Sir David Luce requested accelerated retirement. Those who commented that the decision signified the end of an era in British history did not exaggerate. "That's the end of an auld sang," said an eminent Scot when the Scottish parliament adjourned for the last time in 1707. This was the end of another old song, the end of scenes so recent and still vivid in the mind's eye; the great fleets hull-down on the horizon, the White Ensign flapping over spotless decks in many an eastern port.

The question of which planes to employ if the main reliance was to be on air power involved other important decisions. The Royal Air Force has been flying the Canberra bomber since the early 1950's; it is overdue

for replacement. The search for a plane both new and British lasted seven years (1958–1965) and led to the TSR-2 fiasco; in 1966, it was decided to replace the Canberras by the purchase of the versatile United States-made fighter-bomber, the F-111, at a cost of £2.5 million each—the cost in foreign exchange to be offset by a United States agreement to purchase British-made equipment. By the mid-1970's the proposed Anglo-French swing-wing aircraft should be available.

"EAST OF SUEZ" AND OTHER AREAS

To sum up the situation from another angle, British defense commitments fall into three divisions: the nuclear deterrent; forces for the defense of Europe; and mobile forces for peace-keeping operations east of Suez.

Britain possesses a semi-independent deterrent, linked operationally and politically to both NATO and the United States. At present, this takes the form of its aging V-bomber force, about 70 of which are still in front-line service, plus two Polaris submarines already launched and two others to come. In opposition, the Labour Party had been against the nuclear submarine program; in office it merely cut the program from five to four. Neither the present government nor its Conservative opponents, however, seem to have any plans for a second-generation nuclear weapons system to follow the Polaris; this implies increasing reliance on the United States in the course of time.

The future of the British Rhine Army—like the "East of Suez" question—is bound up with the need to reduce the foreign-exchange aspect of defense costs to ease Britain's chronic balance-of-payments problem. The long-simmering crisis stemming from West German reluctance to meet British expectations in the matter of cost-sharing has boiled up in the spring of 1967. In October, 1966, West German Chancellor Ludwig Erhard's government offered to pay \$88 million of the \$238-million annual cost of the British Rhine Army, an offer Britain called "totally inadequate." The succeeding Kurt Georg Kiesinger government, however, was less, not more, generous, and at the end of February, 1967, Britain

threatened substantial withdrawals amounting to one-third of the British Army of the Rhine. Failing agreement, these withdrawals will begin July 1. This is an embarrassing development for the United States, one that will reduce the effect of the British voice in Europe, and one that is most untimely, coming at the very moment when Britain is seeking German help in its renewed attempt to enter the European Economic Community.

The British military presence "East of Suez"—the phrase is, of course, borrowed from Kipling—constitutes the most bitter divisive question at the moment. Should Britain's rather slender means continue to be stretched to provide forces to meet the variety of military occasions that may arise round the vast perimeter of the Indian Ocean? The most likely areas where Britain may be (as it has been) called upon to act are East Africa, the oil-rich sheikdoms of the Persian Gulf, and Malaysia. Major operations in relation to India or China are likely to be primarily an American rather than a British concern. The British government is limiting and reducing these commitments as fast as possible. Troops are being brought home, bases given up. Aden is being evacuated by the British in 1968, and the South Arabian federation is to become independent without any defense undertaking from Britain.

For the future, reliance is generally to be placed on the development, in collaboration with the United States, of island bases on sparsely-inhabited or uninhabited islands in the Indian Ocean, such as Aldabra, Gan, Chagos and the Cocos Islands—names until recently virtually unknown. Later, perhaps, a joint British-United States-Australian base can be developed somewhere in northwest Australia, which—as is now obvious in hindsight—is where it really should have been developed years ago.

The present British government's defense

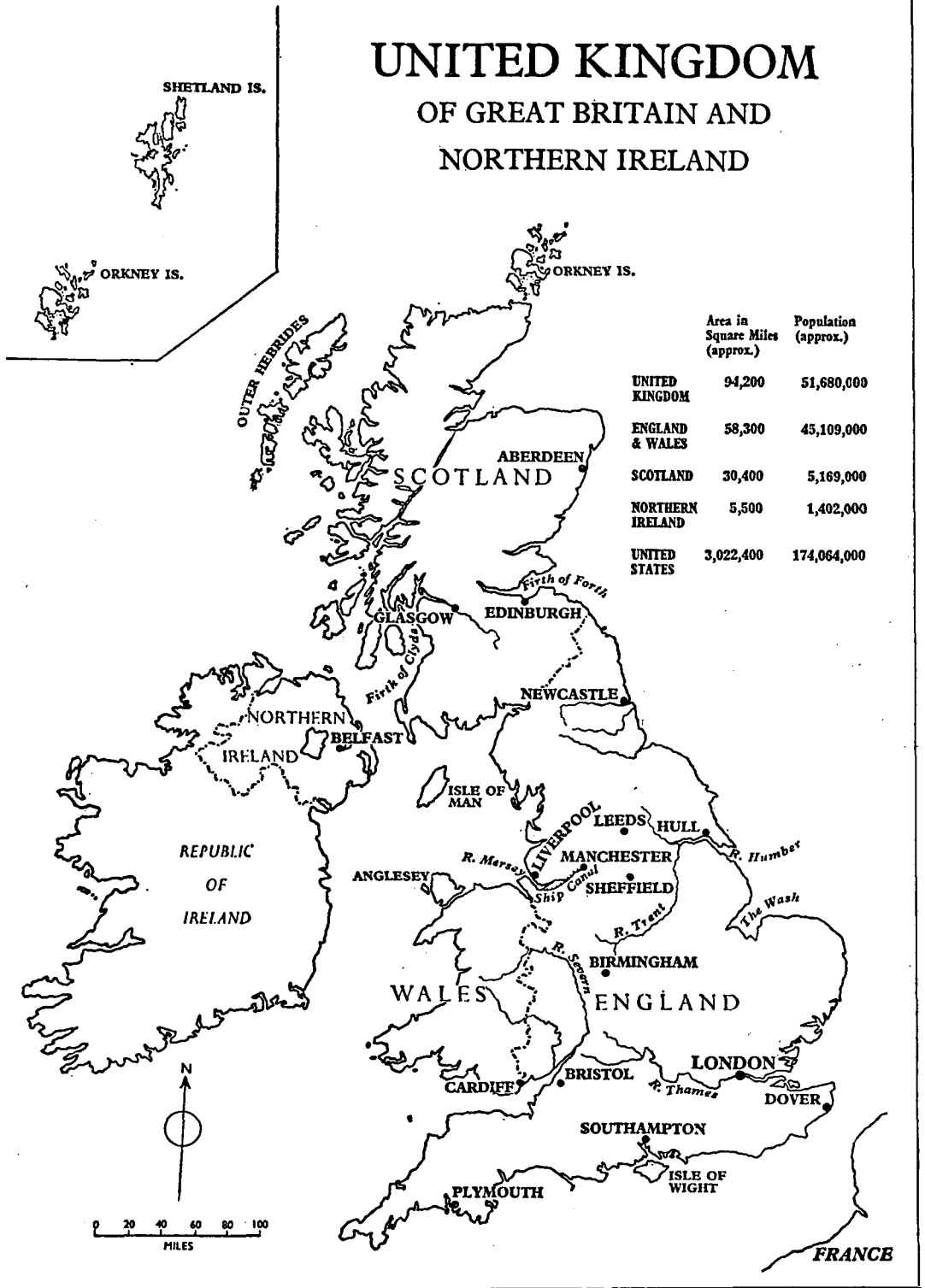
and strategic policies encounter much criticism. In the Commons vote on February 28, 1967, on the defense estimates some 60 of the government's usual supporters—composed of those believing in unilateral disarmament and rebels against the government's continued acceptance of a role East of Suez—abstained, and the government's majority fell to 39. Many Labour supporters dislike Prime Minister Harold Wilson's support of American policy in Vietnam, and showed it this way. Present policies are also criticized by Tories of two schools—those who regret the gradual abandonment of Britain's world role; and those who, like the opposition's defense expert, the extremely intelligent Enoch Powell,⁶ feel that such a role is now unwisely pretentious and should be abandoned forthwith.

Yet defense policy is always a difficult gamble with imponderables and it can be argued that the present defense policy is a reasonable compromise which in fact commands fairly general assent in substance from the middle segment of political opinion. As *The Economist* said in a sensible survey on February 18, 1967, "Mr. Healey, in fact, is submitting a progress report on a policy that is at bottom a policy of wait and see. . . ." He was, quite justifiably, trying to keep options open. "The present period of British
(Continued on page 307)

Arthur Campbell Turner has taught at the universities of Glasgow, California (Berkeley) and Toronto, whence he moved to Riverside in 1953 as one of the founders of the Riverside campus of the University of California. At Riverside, he was responsible for the creation of both the division of social sciences and the graduate division, and was chairman of the department of political science from 1961 to 1966. Among his books is a study of NATO, *Bulwark of the West* (Toronto: Ryerson Press, 1953); he was also coauthor of *Tension Areas in World Affairs* (Belmont, Calif.: Wadsworth, 1964). In June, 1966, he was a guest of the British Foreign Office at a two-week seminar on problems of British foreign policy at Wiston House, Sussex, England.

⁶ Powell is probably the best brain in the Conservative Party. A classical scholar by training, he was minister of health from 1960 to 1963. He knows something about defense matters from personal experience. During World War II, he progressed from the rank of private (1939) to brigadier general (1944).

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND



Courtesy of British Information Services, New York City

What is the state of Great Britain's internal politics? As this specialist points out: "... handicapped by the inertia of the past. . . . Institutions long established and still cherished are proving imperfectly suited to the demands of contemporary British government."

The Problem of Political Change in Great Britain

By RICHARD ROSE

Professor of Politics, Strathclyde University

IN A WORLD in which governments topple with unsettling speed and unpredictability, the stability and longevity of British political institutions is one of the most reassuring features in the international political system. The head of state, the queen, occupies an office whose origin antedates the Norman Conquest of 1066, and parliament is an institution which has celebrated its 700th birthday. The prime ministership is a relatively new office, but it, too, dates from before the American Revolution.

The theme of this article is that all virtues have correlative defects, and that the much admired British system of government is no exception. What looks like "stability" from one point of view can be described as "stagnation" from another. Pride in pedigree and long life can also be described as a commitment to anachronisms because of fear of change. In recent years, British writers on public affairs have concentrated their atten-

tion upon the defects of the oldest Old World government. The wave of self-criticism has had many outlets, from the satirical anti-political skits of *Beyond the Fringe* to the election of a Labour government under Harold Wilson by a narrow majority in October, 1964, and its reelection by a large majority in March, 1966.¹ And yet the system still resists change. Why is this so?

The short answer is that British politics is constrained by the very strength of the achievements and institutions inherited from the past. For a government born in a virgin land, like the United States, in chaos, like the Congo, or taking office after a coup d'etat, as in Latin America, change is easy, perhaps dangerously easy. But for a government like British Labour taking office in 1964 after 13 years out of power, facing a highly experienced civil service and fixed commitments extending from the 1950's into the 1970's, change is not so easy.²

The routine of civil service administration is so taken for granted in Britain and the United States that the characteristics of bureaucrats are often the objects of humor or ridicule. Yet the only thing worse than a system of government bogged down in forms, regulations and proper channels is a system with no standard method of dealing with routine demands, no guidelines for adminis-

¹ For an example of such criticism, see Brian Chapman, *British Government Observed* (London: Allen & Unwin, 1963). The files of *The Economist* (London) weekly newspaper are also full of criticism of the British people.

² For a detailed chronology of events in this period, and citations to other sources, see two books by D. E. Butler and Anthony King, *The British General Election of 1964* (London: Macmillan, 1965) and *The British General Election of 1966* (London: Macmillan, 1966).

trators or citizens, and no predictable or more or less impartial channels for disposing of business before it. One of the great achievements of British government historically was the development of a highly competent administrative routine to cope with the highly nonroutine problems presented to Her Majesty's government by the world's first Industrial Revolution. Moreover, the legacy of Britain's civil service reform can be found throughout the world today in patterns of behavior in the old dominions and in ex-British colonies from India to Africa.

The occurrence of the Industrial Revolution in late eighteenth century Britain was not accidental, for in economic terms Britain's merchants and artisans were already relatively advanced in doing business in ways that suited modern industrial society. Yet the administrative machinery of government was designed to do little more than keep public order, as much by restraining a potentially powerful central government, as by restraining the populace. As late as the 1820's, after the growth of industrial cities was already well under way, the idea of a police force for London was hotly debated and opposed on the grounds that it would be an infringement of liberty. Yet the shift of population from the countryside into villages-become-boomtowns created intolerable strains on law enforcement, on public health and welfare services, on what would now be called zoning standards, and on state-sponsored church and voluntary educational services. In London, the civil service was not only literally in the quill pen stage, but was also preserving practices sanctioned by centuries of tradition.

ADMINISTRATIVE REFORM

From the perspective of today, the most important reforms of the administrative apparatus concerned the civil service of the central government, for the shift of influence from local to central government meant that these are now the men of much greater political influence. At the risk of over-simplifying, one might say that most of the great innova-

tions by which the central machinery of government began to interfere with the consequences of industrialism were produced by a group of outsiders, a kind of "Benthamite Mafia," to adapt a phrase.³ But once these reforms were in hand, a new breed of civil servant was recruited—gentlemanly, intelligent and highly predisposed toward the status quo—to maintain and administer the new machinery.

Progress at that time meant the abolition of patronage, that is, senior officials were no longer appointed at the request of politicians. Today, this means that a new cabinet minister in Britain finds all the chief administrators under him carry-overs from the past regime. Even his own personal private secretary is a civil servant. Into a major department, he may bring some three to a dozen persons whose political views are broadly sympathetic with his own. Given the fact that a single minister may be responsible for the equivalent in Washington terms of a dozen bureaus, one can see that the formal, monocratic pattern of departmental authority, with one person—the minister—in charge, is in fact likely to be oligarchic, with the ruling few predominantly civil servants rather than politicians. This is a major source of current controversy.

CIVIL SERVICE RECRUITMENT

The other relevant feature of nineteenth century civil service was the decision to equate merit with "pure intelligence" rather than with useful knowledge. This meant that an ability at doing anything, even construing Sanskrit verses, would be recognized as relevant in examinations for entrance to the elite ranks of the administrative class of the civil service. Moreover, technical experts, such as public health inspectors, educators, and scientists of all kinds, were placed in separate career grades in almost all cases *inferior to* and *remote from* political ministers. The minister himself tended to be surrounded and advised by members of the administrative class.

For complex social reasons, the predominant intellectual training of the elite administrators is in Greek and Latin and in British

³ See G. Kitson Clark, "Statesmen in Disguise," *The Historical Journal* II.1 (1959).

history from the Dark Ages to 1914.⁴ Even changes in the prestige given social science and pure science and technology have not affected the recruitment patterns. Excluding economics, a student with a B.A. in a social science subject, such as sociology or political behavior, would have difficulty in finding sufficient subjects he could pass at the civil service examination, whereas a student with a degree in Welsh history or in dead languages would find the examination syllabus tailored to his undergraduate course.

Although the problems facing British government today are not exclusively technical, increasingly, technical considerations are becoming important. For years, the thought of changing the patterns of recruitment was resisted, while the government set up ministries of transport, aviation, defense, technology and economic affairs—all short of technically competent individuals with ready access to ministers. In the past few years the Civil Service Commission has recognized the error of the past, and has begun advertising for economists and statisticians. Yet it is handicapped by the inertia of the past. First of all, new recruits will only slowly begin to dilute established ranks and viewpoints; such individuals will not come to the top until after 1984. Second, the older universities (themselves dominated by the civil service ethos) simply have not produced many graduates in fields such as statistics or sociology, and the civic universities, such as Manchester, tend to have students looking toward an industrial rather than an administrative career.

In Harold Macmillan's Conservative government of the early 1960's, technical problems were usually sent to specially constituted committees outside the departments such as the Robbins Committee on Higher Education. Alternatively, outside experts would be invited to head government agencies less hampered by civil service routine.

Labour ministers elected in 1964 sought to adapt the system in another respect by creat-

ing new jobs for political comrades and/or technical experts. The record of these irregular appointees is very mixed. Their impact has varied from department to department, depending much upon the character of the minister extending patronage. Some ministers have appointed cronies, who act as their public relations men. Others have appointed people with technical competence, only to learn that these men in fact can be as influenced by partisan loyalties as any MP, even when party dogma conflicts with technical values. In a few cases, experts seem to have been making a positive and innovative contribution to policy. But in Treasury economic policy, central to all departments because of its control over governmental budgets, the conventional wisdom of the established civil servants has carried the day.

THE PARTY SYSTEM

The chief problem in party government is to make sure that party leaders predominate in policy-making, in fact as well as name, when their party has a parliamentary majority and when they constitute the ranks of cabinet ministers. In any regime, even that of the Soviet Union, the problem of a party's relationship to the administrative apparatus presents more difficulties to party personnel than to the well-entrenched and experienced governmental administrators. In Britain, certain long-honored structural features in government increase the difficulties for partisans.

The first difficulty is the convention that the great bulk of cabinet ministers should be senior members of the majority party in the House of Commons of 630 MPs. This means that Prime Minister Harold Wilson must fill about 70 senior and junior ministerial posts by drawing from a pool which is effectively less than 200 persons, for of his 363 Labour MPs, many will be too junior to be considered, a few will be too old, some will be disqualified on personality grounds, and some on grounds of general inadequacy. In the United States, by contrast, a new President is not confined to members of the House of Representatives or Senate for his cabinet—and few important cabinet members have served as congressmen.

⁴ See Richard Rose, "England: A Traditionally Modern Political Culture" in Lucian Pye and Sidney Verba, editors, *Political Culture and Political Development* (Princeton: Princeton University Press, 1965).

The pattern of British parliamentary life was established in a preindustrial, precomputer age, when oratory was important, and the gap between the amateur and the expert was much narrower.⁵ By persisting today, this pattern precludes Opposition MPs from gathering administrative experience of the sort gained by state governors in the United States; nor do they maintain continuing contact with administrative problems nor oversee administrators, as do members of the United States Congress through their strong committee system. Moreover, individual MPs have no personal staff to help them dig as deeply into topics as the serious press can do, nor does the House of Commons collectively provide research services. Recently elected younger MPs with technocratic biases have protested vigorously about such traditional restrictions.

The much-publicized research wings of the extra-parliamentary party headquarters are in fact understaffed and overworked. Usually they are more concerned with immediate points for debate than with thinking through the problems of redirecting a government department with great momentum of its own. In addition, the importance of seniority of service within the Commons as the base of cabinet membership means that people who become MPs without first following a career in management or administration are much more likely to become cabinet ministers than someone who has previously dealt with problems of bureaucracy.

A Labour government can find these disadvantages specially galling, because of the expectation that its accession to office will produce new legislative and administrative programs, rather than the maintenance or curtailment of existing programs, as might be

expected of a Conservative government. It is clear today that—notwithstanding pamphlet statements of Labour Party policy before the 1964 election—except on one or two issues, the Labour Party had no detailed sets of blueprints concerning the administrative measures by which its goals might be approached. In consequence, ministers have had to depend upon their civil servants for advice and guidance, even in the pursuit of party goals. To say this is not to argue that civil servants cannot advise Labour ministers as well as they advise Conservative ministers, and often in different ways. It is simply to say that insofar as civil servants do frame party policies for ministers, the contribution of leading MPs and party leaders to policy-making is diminished.

It can be argued that it is not the task of the two parties in Britain or elsewhere to frame markedly contrasting policies.⁶ This is sometimes argued in Britain. But the traditional conception of politics in Britain has been that the parties in significant respects differed from each other in values and policy preferences, and that the voters, by changing the team of men in office, would do more than simply change the names on a few office doors in Whitehall. One might argue that a lack of differences in policies between parties reflects a common response by all office-seekers to majority preferences in the electorate. Such an argument, however, is false, because preferences do not always have a central tendency and, as recent research has shown, British politicians tend to operate relatively oblivious of popular electoral attitudes, even during election campaigns.⁷

LABOUR TODAY

While philosophers may debate endlessly what "ought" to be true, empirical political scientists can shift to the question of what differences having a Labour government have in fact made in contemporary Britain. The conclusion on the basis of two and one-half years of Labour rule is that the Labour and Conservative parties have more nearly approached consensus politics than the Democrats and Republicans at the time of the 1964

⁵ See W. L. Guttsman, *The British Political Elite* (London: MacGibbon & Kee, 1963) for a detailed survey since 1832. Note also Bernard Crick, *The Reform of Parliament* (London: Weidenfeld and Nicolson, 1964).

⁶ Cf. R. T. McKenzie, *British Political Parties* (New York: 2nd edition; St. Martins Press, 1963), and Samuel H. Beer, *British Politics in the Collectivist Age* (New York: Knopf, 1965).

⁷ See Richard Rose, *Influencing Voters: A Study of Campaign Rationality* (New York: St. Martins Press, 1967).

American presidential election. Moreover, there are no current issues that divide British political groups to the extent that Americans are divided politically by the race issue at home and the Vietnamese war abroad.

In retrospect, it can be seen that the Labour attack on the Conservative government in the last days of Harold Macmillan and in the interlude of Sir Alec Douglas-Home carried a promise of new men more than new measures. In office, Harold Wilson has often avoided using the shibboleths of party debate, and claimed insistently during the 1966 election campaign that his was a "national" government. The term has unpleasant overtones in the Labour Party because of its association with the defection of Ramsay MacDonald, Labour prime minister in 1931, in order to form a "National" government with predominantly Conservative support.

The consensus has been produced primarily by a shift in Labour policy. Domestically, the major shift has been the abandonment of a cheap money, expansionist economic policy, intended to increase economic growth and make amends for the inheritance of aging nineteenth century industrial plants and attitudes. Instead, the Labour government has administered the traditional, Treasury-approved tight money, antiexpansionist economic policy with a rigor not exceeded by its predecessors. Moreover, it has brought in laws regulating wage increases in industry, an unprecedented action which might be compared in the United States to a Democratic administration having promoted the Taft-Hartley Act.

In foreign policy, the Labour government has not only gone "all the way with L.B.J." in Vietnam, but also it has gone all the way with Conservative leaders Harold Macmillan and Edward Heath in accepting the case for British entry into the European Common Market. Prior to the 1964 election, Labour was critical of this policy, and both Wilson and his predecessor, the late Hugh Gaitskell, were opposed to British entry into Europe.

Viewed historically, the consensual pattern in British party politics today is hardly surprising. Recent historical research in Britain has shown clearly that in the eighteenth century the predominant lines of political cleavage concerned patronage and office. In the nineteenth century, there was a period when factions within the Conservative and Liberal parties certainly differed. One could even argue that the effective policies of Liberal and Conservative governments in the period from 1885 to 1914 were much further apart than the differences between the policies of Labour and the Conservatives—the two chief parties since 1922.⁸ Certainly, at no stage in its long history has the Labour Party been dominated by a group of politicians who wished to see fundamental alterations in British society or by men as out of tune with dominant national mores as have been a number of key southern Democrats in the United States Congress. A high degree of consensus between the two parties in a two-party system is not inevitable; thus the tendency of the Wilson government to emphasize consensus is specially indicative of the conciliatory nature of the British Labour Party.

THE ENVIRONMENT

Every government, whatever its nationality or political coloration, must respond to changes in its environment. British governments are particularly subject to influence from the international political environment, because economically the country depends for its livelihood upon importing foodstuffs and raw materials and exporting manufactured goods; in addition, the country's long tradition of worldwide diplomacy, plus the importance of its role in two world wars, has made foreign policy a special concern.

Although the international economy experiences many short-term and secular changes, the key problem arising in the environment of the British economy—under Labour as well as Conservative governments—has been familiar, although governments often find its recurrence unexpected. The crux of the problem is that when the economy is operating at its highest level of productivity and

⁸ The argument is developed brilliantly by R. O. Bassett, *The Essentials of Parliamentary Democracy* (London: Macmillan, 1935), Part II.

employment, domestic demand tends to create inflationary pressures; in turn, foreign holders of sterling start selling the pound short, in expectation that it will decline in value. This has happened twice in the first two years of the Labour government.

Before it took office, Labour leaders promised that they would solve this persisting economic problem by increasing productivity without inflation, and by refusing to let their economic policy be dominated by speculation against sterling abroad. Devaluation was an obvious alternative. Once in office, the Labour government pursued the traditional Treasury policy. Instead of devaluing the pound, the government has kept up its value by curtailing productive investment and economic expansion within Britain. The Labour government's economic policy, culminating in the highly restrictive measures of July 20, 1966, represents a nearly complete repudiation of the pledges of nearly every major Labour leader prior to assuming office.⁹ Significantly, in the face of this great reversal, not a single minister resigned, whereas in the 1945–1951 Labour government, and subsequently in Macmillan's administration, policy differences did culminate in ministerial resignations in protest.

In international politics, the Wilson government has been fortunately free from many pressures affecting Washington. This is because no British government since the Suez War of 1956 could hope to act independently of the United States in a major international crisis involving threats of force. In the transformation of the international system from a world of a number of major powers into a world of three superpowers (the United States, Russia and China) and a number of also-rans, the British have become a lesser power. As long as the American government does not ask its European allies for troops to fight in Vietnam, and as long as the economic

consequences in the United States do not unfavorably impact British trade, Britain can avoid the conflicts and anguish of American policy-makers.

The focus of Britain's international policy is now Europe. Traditionally, Europe was furthest from the minds of British governments—although closest to its shores—because of Britain's far-flung colonial empire and ease of access through sea routes. Today, the environmental challenge confronts Britain with its most important political problem.

The challenge is largely material. To what extent will the British economy suffer—through failing to grow or through increasingly severe economic crisis—if deprived of easy access to the much wider markets of the E.E.C.—markets now essential because of the great growth in the scale of economic enterprises? Few in Britain today believe that prosperous but small Commonwealth countries such as New Zealand or large but poor countries such as Nigeria provide sufficient scope for British exports. Yet terms for entry to the Common Market are not likely to be easy, and the prospect of entry is by no means certain under Labour, in view of French President Charles de Gaulle's veto of British entry in January, 1963.¹⁰ Even if Britain enters, the consequences, both short-run and long-run, are by no means certain. Hence, the most pressing environmental change demanding action by Britain's government in

(Continued on page 308)

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⁹ See Harold Wilson, *Purpose in Politics* (Boston: Houghton Mifflin, 1964) and quotations in the two books cited in footnote 2 above.

¹⁰ See Miriam Camps, *Britain and the European Community* (Princeton: Princeton University Press, 1964), and Nora Beloff, *The General Says No* (Baltimore: Penquin, 1963).

Reviewing recent economic developments in Britain, this observer notes that "the Labour government came to office pledged to extricate the country from the cycle of stop-go . . . that it has suffered since 1957. In practice," she continues, "it has introduced the biggest stop of all, for the severity of which its own hesitations and fumbblings must bear some of the blame. At the same time, however, it has been striving to develop new long-term policies."

The British Economy

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FOR THE PAST THREE YEARS Britain has been involved in a major economic crisis, of which the outward and visible sign was a large and persistent deficit on the balance of payments. But the payments deficit, however serious, is only a symptom of a deeper malaise. To understand Britain's difficulties, we must look beyond the foreign payments problem and the weakness of the pound. In this article, therefore, we shall first explore the payments crisis and the measures taken to deal with it, and then the longer-term problems.

The story of the payments crisis began in 1964. The early months of the year brought signs that the demand generated by the high level of economic activity achieved during 1963 was pressing too heavily on the country's resources: The balance of payments on current account, which had during 1963 yielded a smaller surplus quarter by quarter, moved

sharply into deficit in the first three months of 1964.

It is one of the problems of running the British or indeed any economy that the necessary information for making policy decisions is often not available until several months after the event, and that even when it is available it does not always present a clear picture of how the economic situation is developing. For this reason it was not fully appreciated how much the balance-of-payments position had deteriorated.

Moreover, the Conservative Party government was anxious not to bring the boom to an abrupt end by putting on the brakes too severely, especially as it was faced with the prospect of a general election during the summer. Hence it introduced only a moderately deflationary budget in April of 1964 and did little else to damp down demand, hoping that a slight reduction in the rate of growth would be sufficient to moderate the country's appetite for imports. In this it miscalculated badly. By the time the new Labour Party government took office in mid-October, it was apparent that the overall deficit¹ on foreign payments, both current and long-term capital, would be of the order of \$1.95 billion to \$2.25 billion for the year as a whole, and the deficit was still growing.

Over the next two months, the government

¹ The overall or "basic" balance on Britain's foreign payments is normally defined as the balance on current account (that is, on trade, services such as insurance and shipping, and other current receipts or payments), plus long-term capital movements (private direct and portfolio investment and government loans), plus a "balancing item" which covers transactions that have escaped the system of recording foreign exchange receipts and payments. The basic balance excludes short-term capital movements, changes in the sterling balances held by other countries in Britain, and changes in Britain's own gold and foreign exchange holdings.

introduced a series of measures to deal with the crisis. The most important were: a 15 per cent surcharge on imports of manufactured and semi-manufactured goods; higher taxes on gasoline and (for the future) higher income taxes; bank rate² put up to the crisis level of 7 per cent; and some mild restrictions on bank lending. In addition, it drew on the \$1-billion credit arranged by the previous government with the IMF (International Monetary Fund) and secured short-term credit facilities amounting to \$3 billion from the central banks of the United States, Canada, Japan and a number of European countries.

These measures set the pattern for others of the same kind introduced at intervals during the next eighteen months. There is no need to detail these measures fully but it may be helpful to consider them in terms of how they were intended to act on the balance of payments, though this approach involves some oversimplification for clarity.

The big foreign credits obtained in late 1964 provided Britain with the foreign exchange to pay its way in the immediate future. The deficit on current and long-term capital account, which was likely to persist at the very least for some months after the end of 1964, had to be covered somehow. In addition, as a major financial center and because of the pound sterling's role as a reserve currency, Britain had to be ready to find foreign exchange to cover any withdrawal of short-term funds from London.³ The more serious the situation in regard to the "basic" balance, the greater the likelihood that substantial sums would be withdrawn as foreigners lost confidence in the pound, as indeed happened. In the last quarter of 1964 alone, a deficit on the basic balance of some \$640 million and

short-term capital outflows equivalent to nearly \$1 billion had to be financed, despite the fact that Britain's official reserves in September, 1964, were not much over \$2.5 billion. Thanks to loans by the IMF and assistance from leading central banks, Britain had to draw on its slender reserves only to a relatively limited extent in late 1964 and not at all in 1965, when there were more large borrowings to finance the continuing deficit on current and long-term account and to cover further, though much smaller, withdrawals of funds from London in the earlier part of the year.

The surcharge on imports acted directly on the balance of payments by making imports more expensive. However, it involved a breach of Britain's undertakings to its fellow-members of GATT (the General Agreement on Tariffs and Trade) and EFTA (the European Free Trade Association). Partly because of this, the surcharge was first reduced, and then abolished in November of 1966. The emphasis of later measures acting directly on foreign payments shifted away from the trade account towards controlling the amount of British capital invested overseas and reducing the government's own spending abroad.

Finally we come to the indirect actions taken to rectify the balance of payments. These actions took two forms—one working through the budget and the government's own revenue and expenditure, the other through the monetary system. Both were intended to check the growth of total demand, and thereby to reduce the demand for imports. The tax increases of November, 1964, which fall into the first category, were followed by three additional doses of higher taxation—two in 1965 and one in the 1966 budget—and by cuts in the government's own spending. Most of these bore heavily on consumer demand by cutting income or raising prices.

The fourth and final group of crisis measures, which acted on total demand by making money more expensive and harder to get, had played a comparatively small role in 1964. As time went on, however, measures of this class became more numerous and stronger; the Bank of England reduced the ability of

² Bank rate is the British equivalent of the discount rate of the Federal Reserve Banks.

³ Funds held by foreigners in London are of various kinds. They include sterling owned by overseas governments and counted as part of their official currency reserves, working balances used to finance trade and other transactions, and money deposited for short-term investment, when interest rates in Britain make it more profitable to invest there than at home. Changes in these holdings and in certain other items are described as short-term capital or monetary movements in the balance-of-payments accounts.

the commercial banks to make loans to the public by calling for special deposits, a ceiling was put on the increase in total bank lending, and "hire purchase" terms were stiffened. The only relaxation in the monetary sphere was a cut in bank rate in mid-1965.

The result of these measures was by no means all that had been hoped. True, the payments deficit was greatly reduced in 1965, but there was still a basic deficit of \$650 million for the year as a whole, and in the first quarter of 1966 it began to widen at an alarming pace once more, reaching \$613 million over the three months. The economy's rate of growth had fallen as intended—after allowing for price changes, the gross national product was running about 1.5 per cent higher in October–December, 1965, than in the same months of 1964—but the pressure on resources was still excessive. In particular, unemployment, which had continued to decline during the past twelve months, still remained at a very low level, while by October, 1965, average hourly wage earnings in industry were 10 per cent higher than they had been a year previously. Money income from wages and other sources was consequently well over previous figures, some 6 per cent higher in the final months of 1965 than in the same period of 1964, though consumers' expenditure in real terms was less buoyant. But of all the sectors of domestic demand, investment and inventories were the only ones at or below the end-1964 level a year later.

A SECOND CRISIS

By the spring of 1966 it was clear that the economy was not out of the woods, and there were many who doubted that enough had been done to correct matters. Certainly it appeared unlikely that the government's original intention of restoring equilibrium to the balance of payments in 1966 could be achieved. On top of these anxieties came the seaman's strike which was bound to entail a reduction, if only a temporary one, in the value of exports. How serious this would be no one could tell but in Britain's situation the mere threat was sufficient to set off a run on the pound. Once again short-term funds

began to leave the country; the reserves, which had been carefully built up by selling off part of the government's long-term dollar investments, fell sharply; and, after eighteen painful months of struggling, Britain was back in the thick of the crisis.

In mid-June additional credits were secured from foreign central banks to be used to protect the pound against speculators. Then came news of falling reserves and a widening trade gap; pressure on the pound increased once more; and Britain's creditors indicated that without drastic action, no more help would be forthcoming. Therefore, in the second half of July, 1966, a new round of measures to eliminate the payments deficit was introduced.

This time the deflationary element—the measures acting on the foreign balance by curbing total demand—was far stronger. Direct action was confined to a reduction in tourist travel allowances, the promise of further savings on government spending overseas and a few minor exchange controls; but the bank rate went back to 7 per cent, more severe restrictions on bank lending were introduced, hire purchase terms were stiffened, there were more taxes and more cuts in government spending at home. Indirect taxes were raised by 10 per cent and a 10 per cent surcharge was added to 1965–1966 surtax liabilities (i.e., to income tax paid at rates above the standard rate); the investment programs of the nationalized industries, the post office and local government in 1967–1968 were cut by \$370 million. In addition, the government proposed a virtual standstill in wage and price increases over the next 12 months.

At the time of writing, it is possible to say that the July package, and earlier measures, appear to have worked. The official balance-of-payments figures for October–December, 1966, have not been published, but the trade figures for these months suggest that Britain earned a surplus on current account. Allowing for long-term investment, the basic deficit for 1966 as a whole may have been reduced to less than \$500 million. With exports still moving ahead in an encouraging fashion, a surplus on the basic balance is predicted for

1967. Forecasting in this field is an exceptionally tricky business—a comparatively small change in a single item can make a big difference to the final outcome—but there is general agreement that the surplus will be a useful size.

The immediate crisis, then, has been resolved, but at what cost. When the July measures were introduced *The Economist* newspaper commented:

The load of deflationary restrictions piled on the British economy were not only larger in the total amount than any in their long line of predecessors. They are also, for the first time in the postwar economic management of Britain and perhaps of any other western country, officially acknowledged as likely not only to increase unemployment but also to decrease production.⁴

That is exactly what has happened. Unemployment mounted in the second half of 1966; it was more than half as large again in January, 1967, as it had been in January, 1966, and is still rising though now comparatively slowly. Industrial output fell in the final months of 1966; some industries with a long production schedule are still working full out, but many consumer goods industries have been hard hit. The worst is probably over, but only the most determined optimist would find the situation cheerful.

THE LONG TERM PROBLEM

The country is still a long way from the solution to its long-term problem: how to keep payments in balance while at the same time promoting steady and more rapid growth. Over the next four years, Britain must earn a surplus on its current payments sufficient to repay the debts it has run up in the last three—a \$900-million repayment to the IMF falls due in November, 1967, and another \$1.5 billion by 1971—and to cover its ordinary commitments without dipping too deeply into the reserves. It must import less, limit its overseas commitments and export more.

A small country with a large population and sparse natural resources, Britain is necessarily a large importer of raw materials and food. In recent years, it has also become a

very large importer of semi-manufactures and finished goods; between 1959 and 1964 overseas purchases in these categories added more than \$1 billion to the annual import bill. Just why this should be so is uncertain. It may be that British prices are such that foreign goods are regularly and significantly cheaper; it may be that the economy has been operated too close to the margin of capacity so that any rise in economic activity has created a disproportionate increase in the demand for imports; it may be that there are serious gaps in Britain's industrial structure so that certain goods essential to the smooth running of the economy cannot be produced in sufficient quantity. Whatever the explanation, if the long-term payments problem is to be resolved, Britain must reduce its dependence on imports.

The export picture looks at first sight more cheerful. Exports of goods rose by 5.6 per cent a year on average between 1958 and 1966 but, and here is the rub, they are rising less fast than those of the leading competitors. Britain's share in total exports of manufactures by the world's leading industrial countries has fallen year by year, from about 19 per cent in the mid-1950's to about 13 per cent in the mid-1960's.

Export earnings, including earnings from services which are a large item in Britain's foreign exchange revenue, are required to finance not only imports of goods and services but other current payments, notably government expenditure. At the same time, Britain as an advanced industrial economy is also habitually an exporter of long-term capital for overseas investment and foreign aid. Current government spending overseas, more than half of it for defense, has mounted swiftly in recent years. In 1965 it was \$1,275 million, twice the 1959 figure. The net long-term capital outflow fluctuates considerably from year to year, but more often than not in the 1960's it has exceeded \$500 million.

How are these expenditures to be reduced or financed? Some people believe that equilibrium could be restored to the balance of payments by devaluing the pound. Without going into the merits and demerits of their case, it is fair to point out that, because

⁴ See *The Economist* (London), July 23, 1966, p. 367.

of sterling's reserve currency role, it would be formidably difficult to devalue without producing dangerous repercussions in the international monetary system. In any event, the government has stated its intention of maintaining the exchange value of the pound, and has indeed done so against considerable odds.

If the road of direct action on the payments front is marked no entry, we must find a way of matching total demand to the resources available. Deflation will do the trick if it is harsh enough, but it solves one problem only to create others. It retards or halts economic growth and endangers future growth because it bears most heavily on investment; as previous crises have shown, deflation will not of itself induce the structural changes required in the economy. Sooner or later, and generally sooner, when the brakes are taken off the deficit reemerges. So policies are required that will contain, or better eliminate, inflationary pressures, alter the structure of the economy and promote growth—a tall order.

The Labour government came to office pledged to extricate the country from the cycle of stop-go—deflation-inflation—that it has suffered since 1957. In practice it has introduced the biggest stop of all, for the severity of which its own hesitations and fumbblings must bear some of the blame. At the same time, however, it has been striving to develop new long-term policies. It has elaborated a battery of reforms and projects of greater or lesser relevance—a royal commission on trade union reform, decimalization of the currency, an Anglo-French swing-wing fighter plane (a fine example of the irrelevant), to name only a few at random. Three things are to provide the grand framework for its reforms—planning, an incomes policy and membership in the European Economic Community (E.E.C.).

PLANNING

In September, 1965, the government published an ambitious national plan setting a target growth rate of 3.8 per cent a year in real gross national product from 1964 to 1970. At the time the target seemed over-sanguine; now it appears wildly unrealistic. The plan

itself has been quietly dropped but the idea of long-term planning, of devising policies and spending programs to be put into effect over the next five years or so, remains firmly entrenched. The government's second attempt, which is likely to be more flexible and more realistic, will probably be called a national economic "strategy." It is hoped that by assessing probabilities and possibilities, it will make it easier for business and government to make soundly-based decisions about future actions, and indicate where the deficiencies in Britain's productive structure lie so that they can be remedied in time. Unfortunately, some of the rigid planning of the original has also embedded itself in the economy, in the form of a predetermined rate of growth in government spending geared to an overall rate of growth that is now realized to be unobtainable.

INCOMES POLICY

The incomes policy is designed to tackle the problem of containing the growth of demand at the grass roots. Briefly, the object is to hold the rise in money incomes down, or close, to the rate at which productivity—real output per person—rises and likewise to restrain the rise in prices. If this could be achieved, and assuming that Britain's competitors did not limit incomes and prices in the same way, British prices would fall relative to those of other countries. Originally the government introduced a voluntary and largely ineffective system; the July, 1966, measures temporarily gave the incomes policy the force of law; now, with the end of the standstill a few months ahead, the government is seeking to secure the cooperation of labor and management in operating an effective voluntary system, backed up by limited government control. Like planning, incomes policy is a highly contentious issue of uncertain effectiveness. Human nature being what it is, it cannot be expected to be a complete success. However, it may still be very useful, especially that part of it relating to the operations of the Prices and Incomes Board to which the government may refer wage and price increases that are considered to be unjustified.

BRITAIN AND THE E.E.C.

Action on membership in the E.E.C. was delayed by the payments crisis, by the Community's own problems in agreeing as to their agricultural policy, and most of all by the government's initial commitment to an essentially anti-European policy. It gradually emerged during 1965 and 1966 that the government was changing its mind. With the abolition of the remaining duties on inter-trade in industrial goods at the beginning of 1967, EFTA was about to reach what looked like a dead-end and several of the continental member-countries were increasingly concerned about their future relationship with the Community. Time had removed or sensibly diminished some of the obstacles to British entry that loomed so large in the previous negotiations. The way was finally cleared by the resolution of the internal E.E.C. crisis in July, 1966, and four months later, Prime Minister Harold Wilson announced that Britain was once more to approach the Community "with the clear intention and determination to enter E.E.C. if, as we hope, our essential British and Commonwealth interests can be safeguarded."

Britain has not yet applied for membership, nor is there any certainty that it will do so in the near future. Discussions between Wilson, George Brown, the British foreign secretary, and their European opposite numbers were held early in 1967, but these were not intended to do more than test European reactions to a new approach. The results were much as expected: the Italians and the Dutch warmly in favor of British entry, the Belgians rather less so, the Germans verging on the lukewarm and the French still giving nothing away. Britain's economic difficulties and the role of sterling as a reserve currency—anathema to the French—have bulked large in the discussions; agriculture is still a thorny problem.

One should not, however, make too much of particular points. The real question remains: will France agree to British membership? Can it afford to oppose it? The French are against admitting another major industrial country with an equal voice in

Community affairs, especially one with an Atlantic-centered rather than a Euro-centered attitude. However, this is something that cannot be said publicly, save in the last resort, because it would be wholly unacceptable to the other five members. Further, it is possible that the bait of British scientific and technological expertise, temptingly dangled by Wilson, will prove sufficiently attractive to allay French hostility.

Whether or not it does so, it seems that Britain will reapply for membership. The results of a successful application are as uncertain as the outcome of the application itself. Opponents point to the heavy cost of applying the common agricultural policy in Britain's special circumstances, to the real possibility that Britain's balance of trade in manufactures would become more, not less, unfavorable, to the loss of independence and the loosening of Commonwealth ties entailed (though precisely what Britain would be losing here is difficult to discern). Advocates of entry talk about technology and economies of scale, about tariff-free access to an expanding market and about the competitive boost to British industry. Supposing that Britain does apply within the next few months and is admitted, we shall still have to wait several years before we know who was right. The negotiations themselves are bound to be complex and therefore protracted; in addition, Britain would need a transitional period in which to adapt itself to the responsibilities of full Community membership.

In its essential aspects, the longer-term future remains obscure. Not merely the outcome but the introduction of new policies hangs in the balance. We know that in the immediate future, the economy can only be

(Continued on page 308)

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As this author evaluates Britain's relationship with its former African colonies, "... while one legacy from colonial rule has facilitated a close relationship between Britain and these African countries, the effect of the former colonial relationship is not all to the benefit of Britain: it is equally true that there is a continuing preoccupation in these African countries with what Africans describe as colonialism, imperialism and racialism."

Britain's Influence in Africa

By DAVID J. MURRAY

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IT IS JUST TEN YEARS since the British government relinquished formal control of affairs in Ghana. Since 1957, the progress towards independence in Britain's black African colonies has become increasingly rapid: Nigeria and British Somaliland (as part of Somalia), 1960; Sierra Leone and Tanganyika, 1961; Uganda, 1962; Kenya and Zanzibar, 1963; Malawi and Zambia, 1964; Gambia, 1965; Botswana and Lesotho, 1966. In each of these countries, where Britain once exercised legal authority, only its influence now remains, and the same will be true of Swaziland when this territory becomes independent in 1968. Southern Rhodesia is the one colony over which a question mark still hangs. In the other colonies decolonization proceeded without a crisis comparable to that which has developed between Britain and Southern Rhodesia; elsewhere Britain succeeded in extricating itself from the colonial relationship while leaving a government, a society and an economy in which British influence continued. Now, however, the situation in Southern Rhodesia threatens to have far reaching effects on the relationship Britain has maintained with the African countries of the Commonwealth.

The basis for British influence in the Afri-

can countries of the Commonwealth rests in part on legacies from the colonial past. The power to make laws and to control and direct the colonial administrative machine, the police, and the army disappeared in each place in turn as the Union Jack was ceremonially hauled down, but British ideas and institutions continue to be present. In the first place, the British left behind them a system of government that reflected British ideas. The detailed forms of the institutions of government differed from those in Britain, yet the machinery of government was based on the same principles: limited, constitutional government; an elected parliament; a responsible cabinet; a neutral and impartial career civil service structured on the principle of the British civil service; a system of elected local government; and an independent judicature.¹ Working with such institutions has provided for African leadership some common experience with the British and, to the extent that these institutions or the principles underlying them survive, there remains a meeting point between those in Britain and those in these newly independent countries. Parliamentarians, for instance, attend meetings of the Commonwealth parliamentary associations,⁴ civil servants have opposite numbers in the British civil service, and institutes of administration maintain links with the Royal Institute of Public Administration in London.

¹ For the constitutional legacy, see S. A. de Smith, *The New Commonwealth and Its Constitutions* (London: Stevens and Sons, 1964).

Even during the period of subordination to Britain the British impact depended on more than the formal machinery of colonial government. The introduction of British ideas and institutions depended also on religious, educational and economic organizations which operated under the umbrella of colonial rule. The activities of these bodies did not cease with the end of colonial rule.

One effect of these unofficial organizations is a continuing British impact on the system of communications in recently independent countries. In all the African countries of the Commonwealth English remains an official language, if not the sole official language. Children are educated in systems that clearly reveal their English origin; many take examinations which at the higher levels are controlled by British examination boards; school books bear this same imprint. Apprentices work for qualifications established by the city and guilds of London, and secretaries qualify with the British Chartered Institute of Secretaries. University students are educated in institutions which, with the principal exception of the University of Nigeria at Nsukka, are modeled on the pattern of English civic universities. And, while university courses have in recent years been orientated increasingly to their local environment, British books preponderate in the libraries and a significant proportion of the teaching staff is drawn from Britain.

There are other ways in which the British have an impact on the flow of information. In certain of the countries, principal newspapers are either British owned or managed; the same is true of the press agencies; British publishers have successfully established themselves in the forefront and such missions as the Church Missionary Society play an important part in the book trade. Pulpits, particularly those in high status churches,

continue to be occupied regularly by Englishmen. In broadcasting, the habit of relaying B.B.C. news bulletins has survived the transfer of power, and the B.B.C. is widely regarded as a more dependable source of news in times of crisis than the various national broadcasting services. Thus in many different ways the British continue to have an effect on the flow of information, ideas and values in these former colonies, and to this extent produce a point of contact and a degree of mutual understanding.²

The colonial past has also left its mark in the sphere of trade and industry. Under the protection of colonial government close trading relationships were established between industrialized Britain and these areas of primary production, and the economies of Britain and her colonies developed on this complementary basis. In the postindependence period Britain has remained a major established buyer for Africa's primary products and commands the influence of a buyer where supply outstrips demand, as it does for many of these primary products. Britain is a major importer of Kenya's coffee, Uganda's cotton, Malawi's tea and tobacco and Ghana's cocoa.

Colonial rule also provided the opportunity for establishing British commercial and industrial enterprises in these areas. Certain concerns were established by the British government and owned by the government—notably railways, harbors and airways. These then passed to the direct control of the successor governments. But the majority of British enterprises were in private ownership and these, with only a few exceptions, have survived the transfer of power. Two British banks—Barclays Bank D.C.O. and Standard Bank—dominate the banking systems in these countries; Unilever (as the Lever Brothers firm is known in the Commonwealth), with its subsidiaries, is the largest single private commercial enterprise in Nigeria. Nearly five-sixths of Sierra Leone's exports, in terms of value, are made up of iron ore and diamonds and each is under the control of a single British-based company.

Such enterprises are organized to make

² On educational systems, see L. G. Cowan, J. O'Connell and D. G. Scanlon, *Education and Nation Building* (New York: Praeger, 1965); on universities, see E. Ashby, *African Universities and Western Tradition* (Cambridge: Harvard University Press, 1965); on foreign influence on the press (understood in its widest sense), see R. Ainslie, *The Press in Africa* (London: Victor Gollancz, 1966).

known their interests. There is a tradition of close association between these concerns—acting directly or through such associations as chambers of commerce, chambers of mines or associations of tea growers—and government departments and ministries. Their influence also stems from the contribution expected from private enterprise towards the achievement of government objectives. Each African country is committed to rapid economic development and, in spite of much talk of African socialism, and with the current exception of Tanzania, a major contribution to development is expected from private enterprise. President Kenneth Kaunda of Zambia has spoken of how “a conducive climate for private capital shall be created”; the Nigerian six-year development plan assumed that there would be \$100 million a year of private investment in Nigeria and \$150 million a year of foreign aid from official sources; even in Tanzania the intention had been to encourage private enterprise fully.

Existing enterprises have been in a favored position to take advantage of the opportunities available in a period of rapid development; they have also benefited because of the belief that further private investment involves keeping sweet the temper of those already established. Whether there is “neo-colonialism”—a British government attempt to rule covertly through commercial enterprises where it no longer rules directly—is more problematical.³ In any event, British enterprises remain an influence, even though they are no longer operating under the sympathetic protection of a colonial government; in turn, these enterprises provide both a further point of contact between Britain and the African Commonwealth countries, and a reason for the British government to maintain an interest in the area.

To point, however, to one basis for British influence is not to imply that the impact was, or is, equal in the different countries. In

Kenya, the British involvement extends to the continuing presence of British settler farmers; in Botswana and Lesotho, the British impact has always been considerably outweighed by that of South Africa. Nor does this basis for influence continue unaffected by the passage of time. More children are passing through the schools; more citizens are becoming literate; British companies are expanding their operations. But the British impact is being modified as a result of competition from other foreign enterprises and, even more, as local nationals staff schools and universities, publish textbooks, and rise to positions of control in the subsidiaries of foreign concerns.

SIGNIFICANCE OF AID

As time passes, the influence of the British government depends increasingly on the assistance it is able and prepared to provide. British aid overseas is directed first to the Commonwealth African countries—in 1965-1966 bilateral aid to these countries came to £80 million, as against £53 million to the several times more heavily populated Commonwealth countries in Asia.⁴

The immediate significance of this aid is twofold. First, to the extent that this aid is tied, it serves to extend the participation of British concerns in the receiving country's economy and thus maintains such influence as derives from the presence of British commercial enterprises. Second, aid serves as a direct inducement and thus as a source of influence. The recent grant of £14 million worth of British aid to Zambia, for example, appears to have a close relationship to the question of Zambia's continued support for Britain's policy towards Southern Rhodesia. With the total amount of aid given to developing countries remaining static, and without the ready opportunity for playing the British against the Americans, or against the Russians or Chinese, aid has become a relatively more effective basis for influence. The significance of aid stems also from the extent to which countries are dependent on assistance. Kenya, for one, has required financial aid from Britain to meet the budget

³ See Kwame Nkrumah, *Neo-Colonialism: the Last Stage of Imperialism* (New York: International Publishers, 1965).

⁴ *Economist*, (London), January 14, 1967.

deficits; it has needed grants and loans to buy out settlers and thus assuage land-hungry Kikuyu; it has required public and private money to sustain its development plans. At the same time, with border disorders in the northeast and war with Somalia threatening, a premium is placed on Kenya's defense treaty with Britain. The ability to provide aid therefore can serve as a direct basis for influence.

Aid however has a further importance. External aid provides a necessary prop for the established economic and social order and for the British influence that remains from the colonial period as part of that order. Without such support, developments internal to African countries could well undermine Britain's position. For an older generation, political movements developed in Britain's African colonies around the object of eliminating colonial rule; thus all grievances were placed at the door of the British. Eliminating British colonial rule was the panacea whether the grievance related to land shortage, the price paid for cocoa, the lack of employment, the absence of educational opportunities, or failure to secure the allocation of a market stall. The British were always to blame and, in the contemporary phase of decolonization, Britain remains the universal scapegoat. In Western Nigeria in the fall of 1965, when strong feelings developed over the rigging of the regional elections, attention was diverted to Britain's handling of the Rhodesian question. A year later, following the killings of Eastern Ibos by Northern Nigerians in September, 1966, there was an outburst of anti-British feeling in the Eastern Region of Nigeria: stories circulated about how the British had instigated the killings.

Thus, crisis conditions stemming from internal political circumstances might well eliminate effective British influence in particular African countries. Currently, commentators look to high school and university

graduates to spark upheavals of a revolutionary nature—as opposed to the coups d'état of the last 18 months. Just as 30 years ago it was the frustrated standard-six leavers* who provided a stimulus for mass political movements, so now attention is directed to those who are leaving school with the Higher School Certificate—the university entry qualification—and to the university graduate. In Nigeria, the situation is as delicate as anywhere. With four universities in Southern Nigeria producing graduates; with graduates expecting jobs at starting yearly salaries of £600 plus (with the average income per head at £80–£90 a year); with some graduates already unable to find employment on such salaries—graduates can increasingly be expected to join school leavers as a group, with much to gain and little to lose from drastic upheavals in the social, political and economic system of the country. Aid, therefore, has this second relevance for the continuance of British influence: without it the crisis conditions that could upset the established order will develop more readily.⁵

There are still other circumstances that favor the British—the Commonwealth connection and common membership in the sterling area. These have supplemented the influence that has derived from the continuing impact of British ideas, institutions and aid.

THE RHODESIAN CRISIS

Yet while some legacies from colonial rule have aided a close relationship between Britain and these African countries, the effect of the former colonial relationship is not all to the benefit of Britain: it is equally true that there is a continuing preoccupation in these African countries with what Africans describe as colonialism, imperialism and racialism. As Britain has extricated itself from one colony after another, attention has shifted from Kenya, Zambia and the Gambia and has come to be focused on southern Africa. With the exception of Swaziland, Southern Rhodesia is Britain's last remaining colony in Africa and it is a legacy of the past that the situation there should arouse elsewhere in the continent strong feelings

* *Editor's note:* Those who completed grades comparable to the United States grammar school.

⁵ On aid, see I. M. D. Little, *International Aid* (London: Allen, Unwin, 1965); I. M. D. Little, *Aid to Africa* (New York: Pergamon Press, 1964).

towards Britain. British policy towards Southern Rhodesia has already opened a breach between Britain and Tanzania, and the resulting developments in Tanzania may well have repercussions elsewhere.

At present it is difficult to foresee an outcome in Southern Rhodesia that will not adversely affect Britain's relations with other African countries. Broadly, as far as Britain is concerned, there appear to be four possible endings to the Southern Rhodesia crisis: first, recognition of the Smith regime as the legitimate government of an independent state; second, a theoretical return to constitutional government and a strictly limited period of formal subordination to Britain, with independence following under a white-controlled government; third, submerging the Southern Rhodesian problem in the larger one of the future of South Africa; fourth, the capitulation or overthrow of the Smith regime followed by a period of direct rule leading to independence under a government representative of the majority of the people. The British government is apparently attempting to secure the last of these.

In practice, it appears unlikely that the British government will succeed in securing the overthrow or capitulation of the Smith regime if it relies on economic sanctions. British policy has now involved the United Nations, putting to the test the United Nations' own coercive authority and thus increasing the stake in ensuring the effectiveness of sanctions. Yet the likelihood that this method will succeed appears remote. The method is supposed to achieve its object, first, by inducing the Europeans in Southern Rhodesia in their own interest to use the political system to overthrow the Smith government and, second, by producing action on the part of the African population that will make the continued maintenance of public order beyond the capacity of the illegal government.

**** Editor's note:** At the talks on the destroyer *H.M.S. Tiger*, Britain suggested that Rhodesia return to constitutional rule, leading eventually to African majority rule with adequate safeguards for the minority. For a discussion of these talks, see Richard Brown, "Prospects in Rhodesia," *Current History* (March, 1967), pp. 162 ff.

Neither effect is likely in the immediate future.

Those affected by sanctions are primarily the larger commercial and industrial enterprises with a stake in the market to the north, and the mines, which suffer heavier taxation to keep European tobacco farmers and cattle owners in business. However, this group is in no position to dictate to the illegal government, since the government is controlled by a well-organized European mass party—the Rhodesia Front—which developed in opposition to what was seen as an alliance between big business and the Africans. The Front exists to defend the interests of European farmers, property owners and those in employment against the encroachments of Africans and against the businesses which were encouraging such encroachments. The Front and its supporters cannot be expected to shed tears over the difficulties in the British Motor Corporation plant in Umtali in view of the fact that this company had been pursuing a systematic policy of advancing Africans within the organization.

For the present, African disorder is equally unlikely to undermine the illegal government. In the rural areas, the chiefs provide an effective bulwark for the present regime, since the chiefs are well aware that a change to representative African government would mean the end of their power and wealth. In the urban areas, the immigrant Africans (mainly from Mozambique and Malawi) provide firm backing for the regime. In time, subversion, coupled with a reduced capacity on the part of the government to raise taxes to meet the costs of maintaining public order, might bring about the overthrow of the illegal government, but such an outcome seems unlikely and, in any case, dissatisfaction in the rest of black Africa with such a long-drawn-out solution to the crisis will undermine British influence on the continent.

The first two alternative outcomes to the Rhodesian crisis listed above would similarly produce dissension between Britain and the Commonwealth countries in Africa. It is possible that an outcome along the lines suggested at the *Tiger* talks** in December, 1966,

could be sold to Malawi, and possibly also to the governments of Kenya, Nigeria and Ghana, while Lesotho and Botswana would probably maintain a discreet silence. But if these governments did acquiesce in such British action, it would be at the expense of undermining their own credibility with domestic opinion.

THE LARGER QUESTION

Possibly the most likely development in the crisis over Southern Rhodesia is for this issue to become entwined with the larger question of South Africa. The success of economic sanctions against Southern Rhodesia depends on South Africa; the illegal regime in Southern Rhodesia is attempting to attach itself more fully to South Africa; and in many black African countries there is a concern to confront South Africa, not only over Southern Rhodesia, but over South West Africa and apartheid as well. Yet, if the Southern Rhodesian issue becomes submerged in the larger question of how to bring a change of course in South Africa, Britain will not have escaped her responsibilities in the eyes of those in black Africa. In relation to South Africa, if Britain can escape being tarred with the brush of colonialism, she cannot escape the charge of imperialism—and a deep distrust of imperialism is equally a legacy of colonial rule.

Britain may no longer have direct legal control over South Africa, but with her economic stake in South Africa, she has a major responsibility for affairs there; British protestations are widely interpreted as an attempt to conceal with words the real nature of British policy. Steeped as literate Africans are in pseudo-Marxist ideology, it is seen as inevitable that the British government should be bolstering up the existing order in South Africa, supporting its system of apartheid, and using South Africa in fact to save the

economy in Southern Rhodesia. When, in the summer of 1966, the British judge at the International Court of Justice voted with the majority in rejecting the case of Ethiopia and Liberia on South West Africa,⁶ and when the British abstained in the vote in the General Assembly on removing South Africa's mandate in South West Africa, these actions only confirmed the already firmly held opinion that Britain is committed to giving effective support to South Africa. Thus, even if Southern Rhodesia comes to be treated as part of a South African problem, Britain's standing in Africa will be severely affected.⁷

CONCLUSION

Britain's relations with the African countries of the Commonwealth are influenced, therefore, by the past colonial relationship. Certain links remain from the colonial period and continue to provide support for British influence, and these are supplemented by the aid Britain currently provides. The Southern Rhodesian crisis, however, serves to emphasize the weakness in Britain's position. It draws attention to Britain as a colonial and imperial power and thus arouses the latent hostilities to Britain that remain from the struggle for independence; it also gives further life to the belief that all internal difficulties can now, as in the colonial period, be attributed to the British. The Southern Rhodesian crisis, moreover, will not be the single and final problem confronting Britain in its relations with the African countries of the Commonwealth; the wider question of the future of South Africa will remain.

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⁶ See Keith Highet, "The South West Africa Cases," *Current History*, March, 1967, pp. 154 ff.

⁷ For an outline of events in Southern Rhodesia, see A. J. Wills, *An Introduction to the History of Central Africa* (2nd edition; London: Oxford University Press, 1967); for Britain's involvement in South Africa, see D. Austin, *Britain and South Africa* (London: Oxford University Press, 1966).

Discussing Canada's strengths and weaknesses, this specialist notes that "The challenge to French Canada is the same in microcosm as that which faces all of Canada—how to retain national integrity and at the same time reap the fruits of social and economic development, all within the shadow of an overwhelming and potentially dominant neighbor."

Canada at a Century

By CRAUFURD D. W. GOODWIN

Director of International Studies, Duke University

CANADA HAS ARRIVED at its 100th birthday with much to be thankful for. Most of the pressing problems which faced the new nation in the year of Confederation have vanished, not the least of which is the problem of viability itself. Canada came into existence for a combination of negative political and positive economic reasons. Politically, the union of colonies was a defensive formation against the possibility that the United States might aim its manifest destiny northward with the military might released from the Civil War. There was little drawing together of kindred spirits from British North America in a fervor of nationalism. Nonetheless, Confederation was encouraged rather than hindered by Great Britain, anxious to free itself gracefully from expensive colonial encumbrances; the British attitude in 1867 was similar to that of recent years which has brought frantic decolonization in Asia, Africa and the Caribbean. Economically, the Canadian nation was, at least in its westward extension, merely a formalization of the longstanding "commercial empire of the St. Lawrence."¹ Political union facilitated the traditional west-east flow of staple products—fur, fish, timber, grain, and minerals—and it strengthened the financial and

commercial control of the main eastern cities over the western hinterland.

But the reasons which led urgently to the formation of the Canadian union have now very largely disappeared. On the one hand, southward political defense is no longer necessary; the United States has lost any appetite it may once have had for northern territorial additions. Furthermore, preoccupation of the United States with its role as the major power of the free world makes it highly unlikely that it will pose any threat to Canada in the foreseeable future. Considering the certain disruption and uncertain gains that would follow the addition of several more states, it is doubtful that the United States would even accept Canada through voluntary annexation. On the other hand, the traditional nineteenth century Canadian economic *raison d'être* also has declined in significance. The old Canadian dependence upon coordinated marketing abroad of a few major staples has given way to diversified production and a growing measure of internal economic autonomy.

The sources of Canada's strength and weakness today were undeveloped and almost unrecognized in 1867. The greatest current source of strength is a booming economy which enables residents to enjoy a level of income per capita surpassed only by that of the United States. Canada has been the living disproof of the claim made by some develop-

¹ See Donald Creighton's classic study, *The Commercial Empire of the St. Lawrence, 1760-1850* (Toronto: University of Toronto Press, 1937).

ment economists that high levels of prosperity come only from industrialization. In recent years, over half Canada's exports have still consisted of primary products from the farm, forest, and mine.² A second source of Canada's strength is a geographical location immediately adjacent to an economic and military giant which guarantees not only markets for over half her exports and ready access to supplies of private capital and skilled manpower, but also virtually costless defense against external threat. Even though Canadians are wont to disparage these advantages of proximity to the United States, Canada's position is viewed with envy by other countries of the western world.

Canada's national problems today stem from the same conditions which give the country strength. They arise from uncertainty about the meaning of Canadian nationhood now that the conditions for economic and political survival are no longer in question. The problems have internal and external dimensions. Internally, disputes take place over the form and purpose of the union and over attention given to various components of it. Because Confederation was a pragmatic response to defensive and economic challenges and was easily successful in these initial objectives, it has become a relatively fragile compact. There was no great struggle at the beginning for Canadian identity, no pain and suffering, no national catharsis; hence, after a century there is little mystique, mythology or sanctity surrounding nationhood. Paradoxically, early and easy success has made necessary a serious search for new goals in Canada and has exposed basic conflicts which in more dire circum-

stances might never have become significant.

Internal differences in Canada have two aspects: regional and ethnic. Regional tensions are related principally to differing rates of economic growth and conflicting economic interests among the sectors of the country. Stagnation in the Atlantic provinces, endemic tension between the industrialized provinces of Ontario and Quebec and the farming prairies, and an uninhibited boom in British Columbia have generated frictions of various kinds. Occasionally the union has been threatened because individual sectors have come to conclude that their problems could be solved most effectively through cooperation with the immediate neighbor states to the south. Federal solutions have been found for some of these internal problems, such as special funds for development of depressed areas, but rigorous interpretation of the provincial rights provisions of the British North America Act—the Canadian constitution—has weakened the ability of the Ottawa government to move decisively in key areas such as labor and education.³ The comparative weakness of the central government in coping with the needs of an evolving federation has been the cause of more envious glances to the south. A measure of the regional disparities in Canada can be gained from statistics of personal income per capita which vary from an average of around \$1,000 yearly in parts of the maritime provinces to more than twice this amount in Ontario and British Columbia.

FRENCH-ENGLISH DUALISM

Canada's ethnic problems center on the difficulty of creating satisfactory conditions for perpetuating the French-English dualism accepted in 1867. Tensions over this question have been evident throughout most of the century and have reached peaks during disputes over how to fulfill the guarantee of bilingualism, the provision of separate school systems, the necessity for French Canadians to fight in world wars in which they believed that Canada's (as opposed to Britain's) national interests were not involved, and the control of economic resources in French Canada. Except for brief episodes during

² Recent discussions of the Canadian economy are contained in: Ian M. Drummond, *The Canadian Economy: Organization and Development* (Homewood, Illinois: Richard D. Irwin, Inc., 1966); George W. Wilson, Scott Gordon, Stanislaw Judek, *Canada: An Appraisal of Its Needs and Resources* (Toronto: Twentieth Century Fund and University of Toronto Press, 1965); and Melville H. Watkins and Donald F. Forster, *Economics: Canada* (Toronto: McGraw-Hill Company of Canada Limited, 1963).

³ See A. R. M. Lower, et al, *Evolving Canadian Federalism* (Durham: Duke University Press, 1958).

the two world wars, conflict between French-speaking and English-speaking Canadians has been kept within tolerable limits; for most of the century an entente was encouraged by many French-Canadian leaders who hoped to achieve cultural preservation through isolation. In recent years, however, one circumstance in particular has been a special source of irritation. While the political and educational institutions of French Canada have been controlled from within, the ownership and management of corporations have remained in the hands of foreign investors and English Canadians.

Demands for change in the status of French Canada within Confederation came quickly after World War II. Improvements in communications made many French Canadians aware for the first time of what they missed as a result of their isolation. They saw through new media such as television that their educational system (still dominated by the church), their political policies and their social attitudes were not adequate to bring them the fruits of modernization and in particular did not equip them to assume roles of equality in the Canadian federal structure. A number of younger French Canadian journalists and intellectuals articulated effectively the demands for reform. Change in government policy in the province of Quebec came suddenly in the 1950's with the death of the autocratic Premier Maurice Duplessis and the degeneration of the *Union Nationale*, the party of the old regime.⁴ The return to power of the *Union Nationale* in 1965 with reform policies remarkably similar to those of its Liberal Party predecessor indicates the depth and permanence of the change.

Turmoil in French Canada in the past decade, which included sporadic bombings on several occasions, has been the result of

impatience with the necessarily slow pace of change and frustration at discovering that secularization of society and full participation in the economy may be incompatible with cultural preservation. A sizable minority of French Canadians have come to believe that the twin objectives of economic progress and a strong cultural and linguistic identity may be achieved only through dissolution of Confederation and creation of an autonomous new French-Canadian nation. At least for the time, however, the majority are content to seek accommodation through adjustments in the federal structure. The challenge to French Canada is the same in microcosm as that which faces all of Canada—how to retain national integrity and at the same time reap the fruits of social and economic development, all within the shadow of an overwhelming and potentially dominant neighbor. The characteristic Canadian response thus far to unrest in French Canada has included increased concessions by the federal government to demands from Quebec for special financial treatment, appointment of a high-level Royal Commission on Bilingualism and Biculturalism,⁵ and expressions of hope that time will heal the wounds. In the circumstances, this response seems most wise.

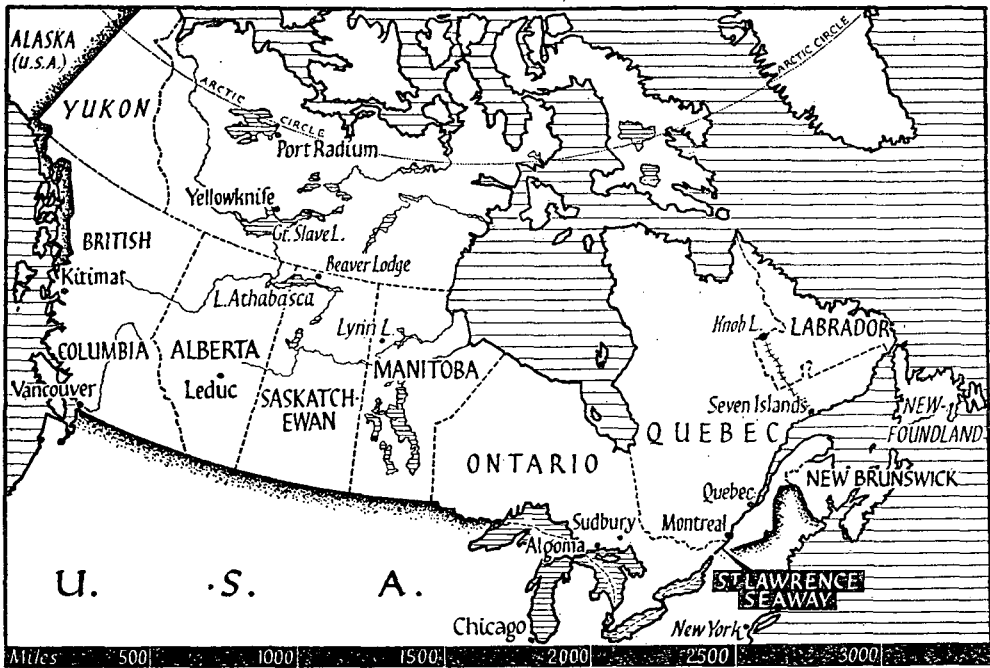
FOREIGN POLICY

Canada's external problems lie in two areas: relations with the world in general and with the United States in particular. In the years between the two world wars, Canada began to develop for the first time an embryonic foreign policy independent from that of Great Britain, and a heady experience it was. A new department of external affairs attracted many competent intellectuals, and there were high hopes for Canada's role as a "middle power," mediating among the giants and occasionally having its own way by casting the deciding vote. These hopes were strengthened by Canada's vigorous part in World War II and in the postwar development of international organizations.

Only recently has disillusionment set in. To begin with, decolonization has substantially increased the supply of "middle powers,"

⁴ Discussions of these developments are contained in Peter Desbarats, *The State of Quebec* (Toronto: McClelland and Stewart, 1965); and Thomas Sloan, *Quebec, The Not-So-Quiet Revolution* (Toronto: Ryerson Press, 1965). The economy of Quebec is described in André Raynauld, *Croissance et structure économiques de la Province de Québec* (Québec: Province de Québec, n.d.).

⁵ See *A Preliminary Report of the Royal Commission of Bilingualism and Biculturalism* (Ottawa: Queen's Printer, 1965).



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CANADA

most of whom are looking also for decisive mediating roles. Second, the decline of the Commonwealth as an effective unit for coordinating foreign policy has weakened Canada's potential influence in this sphere. Finally, Canada has been compelled to recognize that its unique North American location presents definite obstacles in its pursuit of a truly independent foreign policy. Because all aspects of Canada's existence, from defenses to consumption patterns, are inextricably interwoven with those of the United States, claims of independence are inevitably suspect in the eyes of the world.

⁶ The most penetrating studies of Canadian foreign and defense policies in the twentieth century have come from Professor James Eayrs. See his *The Art of the Possible: Government and Foreign Policy in Canada* (Toronto: University of Toronto Press, 1961); *Northern Approaches: Canada and the Search for Peace* (Toronto: Macmillan Company of Canada, 1961); and *In Defense of Canada* (Toronto: University of Toronto Press, 1964 and 1965). On this subject see also Hugh L. Kennley, et al., *The Growth of Canadian Policies in External Affairs* (Durham: Duke University Press, 1960).

⁷ See Hugh G. J. Aitken, et al., *The American Economic Impact on Canada* (Durham: Duke University Press, 1959).

The search for independence has given a special Alice in Wonderland quality to Canada's defense preparations, at least to the extent that these preparations have been of the conventional kind. Canadian forces participate in the continental defense effort, but without any genuine decision-making power. Events surrounding a debate over whether to arm Bomarc missiles in Canada with nuclear warheads, including cavalier behavior on the part of some American officials, did much to clarify for Canadians the extent of their subservience in defense questions. Unfortunately, such incidents do much to injure Canada's pride and reduce her self-confidence.⁸

CANADIAN-U.S. RELATIONS

Canada's relations with the United States have been close since colonial times, but they have grown steadily closer in recent years.⁷ Contacts were based initially on complementary markets in the two countries: Canada produced essential raw materials for the United States and received in return low-cost

manufactured items. Subsequently, relations have moved toward a thorough economic and cultural integration resulting from improved communications and transportation, and from economies of scale achieved by continental industry in advertising, marketing and production. Closer relations with the United States have also been associated with the decline of Great Britain as an effective countervailing force. Today Canadian society is virtually dominated by things American: television, radio, films, publications, consumer durables, grocery products, professional athletics, trade unions and a wide range of social customs. But with the adoption of American goods, tastes and mores has come inevitably an increasing measure of United States control over Canadian industry. When Canadians chose to read *Time* magazine, drive Chevrolets, use General Electric appliances, join American unions, and watch Jackie Gleason, they agreed *de facto* to forego full ownership of their own economy. That economic gains from specialization on a continental scale are not compatible with complete local control of economic activity is a principle which applies as much to Canada as to any segment of the United States itself.

The critical question for Canada has been how significant this loss of autonomy is for the quality of national life. United States control of Canadian industries has not meant a decline in the absolute level of ownership of capital goods by Canadians, as some critics have implied. Rather it has caused Canadians to give up many relatively small-scale domestically-controlled firms and to share in the ownership of the mammoth corporations from which they derive benefits; and it has led them also to develop some continental enterprise of their own through which they have gained a measure of the market control abroad which they decry at home. Serious charges have been leveled against American-owned corporations in Canada to the effect that they act in various ways inimical to Canadian national interests. Instances are described of Canadian subsidiaries of American firms refusing to trade with countries against which the United States, but not

Canada, maintains an embargo. It is alleged also that minimum facilities for research and development are maintained in Canada by American parent companies and that disproportionate profits are carried abroad.

However, few serious and objective studies have been undertaken to assess the significance of these charges. Moreover, it has never been proved that the Canadian firms which might replace their American-controlled counterparts would act any more in the national interest, however this term may be defined, particularly when such firms would have to exist behind protective walls. Canadian nationalists inside and outside of government have been slow to explain carefully and in precise language exactly what the benefits and costs would be of discouragement or control of American economic activity in Canada. In particular, the probable costs to Canadian consumers from relative inefficiency in the protected sectors—market interruption, loss of competition, and possible international retaliation—have not been calculated.

Advocates of greater Canadian autonomy from the United States seem frequently to forget that integration has come voluntarily and greater independence would almost certainly require denial of the citizens' free choice. Proposals for such reforms as conversion of American equity capital to loan capital and for the prohibition of banking operations by American firms have been discussed more in emotional than in reasoned terms. It is seldom made clear why alleged abuses of American firms in Canada, such as monopoly practices, cannot be combated under general rather than discriminatory legislation. There seems some danger in Canada today, as in the early years of this century, that discussion of relations with the United States may become dominated by unreasoning fear and xenophobia from which Canada herself will be the principal loser.

ALTERNATIVES

At the moment, three policy directions are open to Canada. First, it may simply react passively to the process of economic and

cultural assimilation with the United States, with the provincial and federal governments acting merely as arbiters in the process. Second, it may pursue policies of restriction of world contacts and protection to Canadian industry and culture; it may shape consumption and the structure of production in Canada by placing penalties upon use of articles imported from abroad. This second approach would be an extension of the "national policy" inaugurated by Sir John A. Macdonald in 1879.⁸ Canadian products would be saved from oblivion by sheltering them from competitors, with whom presumably they could not compete if Canadians were given free choice. Canadian nationhood would mean a measure of economic independence from the United States. And third, Canada may search out and provide encouragement for what is genuinely worth preserving and initiating in its national life.

Canada may thus establish a national identity by the free will of its own people. It may accept the benefits from continental specialization and international division of labor and use these benefits to form the basis for a significant national culture. It may treat its economy as the means to achieve the aim of a good life for its people rather than as an

end in itself, and for this reason strengthen the economy wherever possible.⁹ In a recent controversial book, Professor George Grant, has pictured as the effective alternatives open to Canada only the first two policy directions.¹⁰ He has concluded further that the futility of the second course has led to the inevitability of the first—assimilation with the United States and eventual disappearance of Canada as a nation. Other Canadian intellectuals, however, have been less pessimistic, and the last few years have brought forth some of the most creative thought since Confederation on the possibilities for Canadian national development.¹¹ Not only is much constructive attention being given today to Canada's dilemma, but new centers for analysis, such as the Economic Council of Canada,¹² and new methods of approach, such as that contained in Professor Porter's penetrating study of the Canadian class structure,¹³ have opened promising directions for inquiry. Royal commissions have laid out blueprints for change in areas as diverse as monetary and fiscal policy and civil service organization. One commission has proposed a system of health services which, if adopted, might reverse the usual relationship and make Canada a model for the United States.¹⁴

When Canada in the past has selected positive rather than negative development policies, it has usually been conspicuously successful. For example, substantial domestic and international reputations have been earned by such national institutions as the Canadian Broadcasting Corporation, the National Film Board, the Canada Council, and peacekeeping forces provided to the United Nations. During the past decade, however, political events have moved erratically back and forth between negative and positive approaches. Most recently, voters at both provincial and national levels seem to have rejected massive attempts at discouraging external participation in economic development. Liberal Premier Jean Lesage was defeated in Quebec during 1966 after undertaking an expensive program of "provincializing" certain key economic sectors. Similarly, Conservative Prime Minister John Diefenbaker was defeated at

⁸ See Robert Craig Brown, *Canada's National Policy, 1883-1900. A Study in Canadian-American Relations* (Princeton: Princeton University Press, 1964).

⁹ Professor Harry Johnson, among others, has argued convincingly that policies of trade restriction and international isolation in Canada may actually lower chances for national survival by reducing levels of welfare, weakening the fabric of national life, and making autonomy less attractive to Canadian citizens. See his *Canada in a Changing World Economy* (Toronto: University of Toronto Press, 1962); and *The Canadian Quandary* (Toronto: McGraw-Hill, 1963).

¹⁰ *Lament for a Nation* (Princeton: Van Nostrand, 1965).

¹¹ See particularly two products of the University League for Social Reform: *The Prospect of Change: Proposals for Canada's Future* (Toronto: McGraw-Hill, 1965); and *Nationalism in Canada* (Toronto: McGraw-Hill, 1966).

¹² Three annual reports have been published thus far, available from the Queen's Printer, Ottawa.

¹³ John Porter, *The Vertical Mosaic: An Analysis of Social Class and Power in Canada* (Toronto: University of Toronto Press, 1965).

¹⁴ *Report of the Royal Commission on Health Services* (Ottawa: Queen's Printer, 2 vols., 1964 and 1965).

the national level after advocating limits on Canadian integration with the United States through trade diversion and restrictions on inflows of American capital. In contrast, provincial governments in the two farthest western provinces, Alberta and British Columbia, have enjoyed remarkable permanence in power, apparently because of their ability to encourage, or at least to be identified with, rapid economic development. Both provincial governments have long since abandoned their heterodox monetary policies of social credit.

Political leaders throughout Canada today still talk of the need to "protect" Canadian interests from "economic imperialism" to the south. At the same time, they seem to have grasped that the voters are reluctant in the long run to pay for such protection either through higher costs and inconvenience as consumers or through lower wages as workers. Even Walter Gordon, the most prominent advocate of Canadian economic independence, but somewhat sobered after two years of banishment from the federal cabinet, seems more moderate in his proposals.¹⁵ Canada seems particularly fortunate at this point in its history in having moderate and conciliatory persons in key positions of leadership. The consummate diplomatic skill of Prime Minister Lester Pearson may well be regarded by future historians as less valuable in the United Nations, where his skill brought him a Nobel Prize, than in keeping his country together during a critical period of dissension. Premier Daniel Johnson of Quebec, while anxious to continue the modernization of French Canada, seems willing to employ methods that will not be destructive of national unity.¹⁶ Greatest concern may be expressed about the failure of Canadian leaders today to act positively in support of collective aspects of national life. Prime Minister Pearson, in particular, has failed to demonstrate creative imagination and has not succeeded

in gathering a substantial majority of the country behind him. The World's Fair, "Expo 67," and a collection of modest projects in commemoration of the centennial are the only significant innovations of recent years.

Canada, perhaps more than any other country in the world, has the opportunity for a golden future. It has the resources, both human and physical, for rapid and unlimited growth. It may benefit from a vibrant North American economic system, and if the free flow of trade and resources breaks down, it will almost certainly be its own doing. Moreover, while Canada may gain from participation in the American economic system, it is spared because of its size from many extensive obligations and costly endeavors to which great powers are susceptible. It need not use—as does the United States—almost one-fifth of its national wealth on military activities. Nor need it, or can it, undertake prestigious but costly adventures such as a race to the moon. What is not possible is no temptation. Finally, by accident of history Canada is spared serious race problems.

Canada's potential worst enemy in the years ahead, as in the past, will continue to be itself. With sufficient self-confidence and imagination, there would seem to be no end to what it might achieve. If Canada takes advantage of its strong economic base, it may create a quality of life unequaled anywhere at any time in history. For the equivalent of the resources spent by the United States on developing one moon rocket, Canada can build

(Continued on page 308)

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¹⁵ Gordon's two nationalist manifestoes are *Troubled Canada* (Toronto: McClelland and Stewart, 1961) and *A Choice for Canada* (Toronto: McClelland and Stewart, 1966).

¹⁶ Johnson has expressed his political philosophy in *Egalité ou Indépendance* (Montreal: Editions Renaissance, 1965).

Commenting on the foreign policies and domestic difficulties facing India and Pakistan, this author notes that "... above all still hangs the cloud of Indo-Pakistani hostility, from which so much trouble in both countries springs. Except for the miracle of the Indus River water agreement, the solution to almost any dispute or problem between them seems to soar immediately out of reach."

Indian-Pakistani Relations

By ROSS N. BERKES

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ONE MAY WONDER if there will ever come a time when the relationship between India and Pakistan—and, indeed, most of their perspective in foreign affairs—will not be dominated by Kashmir. The Tashkent Declaration of January 10, 1966, has settled into history. The momentary illusion that it mitigated the difficulty over Kashmir has been dispelled. Now, it is again fashionable for brilliant and insightful articles to show that every policy pursued by India—or by Pakistan—is a function of its posture on Kashmir.

Tashkent may provide a helpful starting point for a review of India and Pakistan, now that this historic conference can be seen with some perspective. While it made no real contribution to the solution of the Kashmir problem (except to return to the situation before the shocking "September war" over Kashmir developed between India and Pakistan in the fall of 1965), it was a remarkable achievement. As one awed but anonymous observer noted, it marked the first time that "a Soviet Government has worked to solve rather than exacerbate a conflict."¹ Or as *The Times* (London) editorialized at the outset of the conference:

How strange and intolerable it would have seemed to Curzon that the affairs of the sub-continent should be taken to Tashkent to be discussed under the patronage of a Russian!

But so many things seem strange when one looks at Pakistan or India. India has been almost heroic in its tradition of leadership on behalf of the principle of self-determination. Even kindly critics have not always understood why India felt compelled to compromise its stature by excluding Kashmir and Jammu from the application of this principle. The answers Indians usually give are really of no help at all, particularly the abrupt and somewhat irrational response that "Kashmir and Jammu is an integral part of India." Although it could hardly be argued publicly, it is clear that Indians believe that the self-preservation of India depends in part on holding firmly to the proposition that "Kashmir and Jammu is an integral part of India." Until Indian statesmen conclude that there is no longer a vital connection between their stand on Kashmir and the preservation of India, it may be that only Pakistan can contribute to the solution of the Kashmir problem.

Why should Pakistan work to this end? Until it appeared in the eyes of the Western world as somewhat more the culprit in the 1965 Indo-Pakistani war than India, Pakistan

¹ "The Commonwealth under Attack," *The Round Table* (London), March, 1966, p. 113.

reaped the rewards of India's rigidity with regard to Kashmir, and the comparative attractiveness of its own posture. In 1955, for instance, nearly all statesmen agreed with Pakistan that Kashmir was an international question—all but the Soviet Union, which at the time landed four-square on the Indian side of the argument, and not without mischievous intent. In the West, at least, a natural byproduct of the Soviet championship of India's position on Kashmir was sympathy with Pakistan. Moreover, Pakistan was identifying itself with the vast network of Western alliances against the threat of communist expansion. It was a member of the Southeast Asia Treaty Organization (SEATO, 1954), and of the Baghdad Pact (1955, which became the Central Treaty Organization, CENTO, in 1959). In those days no one seriously argued that the Western alignment was basically a function of Pakistan's anti-Indian and Kashmir policy. They do now, and few in Pakistan care to perpetuate the fiction that Pakistan's continued membership in CENTO and SEATO represents its interest in an alliance to discourage the aggressive designs of militant communism.

PAKISTAN'S ATTITUDE

A brief look at Pakistan's participation in some of the more recent meetings of the CENTO and SEATO councils (for instance, at Ankara and Canberra, respectively, in mid-1966), emphasizes Pakistan's different approaches. In the former, the then foreign minister, Zulfikar Ali Bhutto, managed to get a paragraph on Indo-Pakistani relations inserted into the final communique; yet his preoccupation was reported to be the economic achievements and possibilities of CENTO—or at least of the two Middle East powers represented therein: Iran and Turkey. For that matter, Iran has a new sheen of considerable appeal to Pakistan: like Pakistan, it is no longer willing to depend on Western sources for military equipment. Moreover, when Pakistan turned without much hope to the CENTO powers for support in its "September

war" against India, the impartial coolness of Britain and the United States was countered if not offset by unexpected sympathy from both Iran and Turkey. In Iran's case, this seems to have grown into something considerably greater, if one is to accept the report that after the United States cut off military aid (to both Pakistan and India),

it was the Iranians who made up Pakistan's losses in the Indian war by kindly buying 90 spare Sabre jet fighters from West Germany and sending them to Pakistan "to be serviced."²

Turning to SEATO, Pakistan's continued participation as a bona fide ally presents a problem of credibility. Actually, the flowering of Sino-Pakistani friendship over the past five years is much easier to understand, given the premises underscored at the outset of this article, and given the smashing blow dealt to Sino-Indian friendship by China's aggressive war against India in 1962. Other things being equal, who else but India's enemies deserved the hand of Pakistan's friendship?

For a while there was some question whether China's earlier preference for India had not compromised its ability to move convincingly into the orbit of Pakistan's position on Kashmir. Surprisingly, the record of China's utterances on Kashmir up to that time revealed an unsuspected talent for ambiguity. But after 1962 there was nothing coy or ambiguous about its position. Typical of the new Chinese posture were the unambiguous remarks of President Liu Shao-chi, chairman of the Chinese People's Republic, on the occasion of his state visit to Pakistan in March, 1966:

We have always held that the Kashmir dispute should be settled in accordance with the wishes of the Kashmiri people. . . . The Chinese Government and people firmly support the righteous stand of the Pakistan Government and the just struggle of the Kashmiri people for their right of self-determination.

To return to SEATO, its earlier history did evidence modest Pakistani exploitation—as in 1956, when both SEATO and the Baghdad Pact provided vehicles through which Pakistan could associate influential Commonwealth states, among others, with mild but at

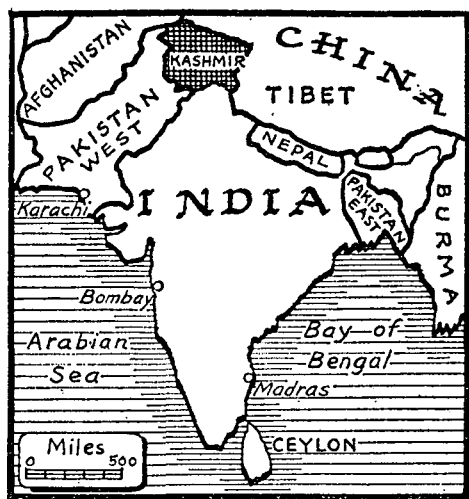
² *The Economist* (London), October 22, 1966.

least joint appeals for the early solution of the Kashmir issue. These, it has been asserted, were particularly annoying to Indian Prime Minister Jawaharlal Nehru, who took the occasion of the 1956 SEATO Council communique to give his intemperate views to the Indian parliament, the *Lok Sabha*, in the following words:

To our great surprise the Council saw fit, at the insistence of one of its members, to discuss the question of Kashmir in its final communique. . . . We have noted with regret that three other Commonwealth countries [Britain, Australia, New Zealand] have associated themselves with the offending declaration.³

Britain and the other Commonwealth powers soon learned not to expose themselves so innocently and gratuitously to the backlash of India's wrath. SEATO, for one, no longer interferes, however delicately and impartially, in the subcontinental rivalry. Even more discouraging has been Pakistan's formal and predictable unwillingness to associate itself with allied pronouncements on the more acute problems of Southeast Asia. The final communique of the June, 1966, meeting of the SEATO Council disclosed a special reservation on the part of the Pakistani delegation wherein it "noted," but did not support, the paragraphs of the communique dealing with communist aggression in the treaty area, and especially in South Vietnam and Laos.

The remarkable ambivalence of Pakistan's foreign relations has led it to side with Portugal over Goa, to reestablish good relations with the Soviet Union at Tashkent, to displace India as the subcontinent's greatest supporter of Communist China's membership in the United Nations, abruptly to sever (though ultimately restoring) relations with Malaysia over its pro-Indian behavior in the United Nations Security Council during the 1965 war with India. Somehow Pakistan also remains "the most allied" of America's allies in Asia, while at the same time it is overtly critical of



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INDIA & PAKISTAN

most United States goals in that part of the world. On Rhodesia, Pakistan has been the least intemperate of the Afro-Asian members of the Commonwealth, but it has been also one of the least verbal—a posture that the more impatient African and Asian powers occasionally see as one of indifference. The one firm stand has been on India, and there are those who suspect that even Kashmir is secondary—thus M. S. Rajan, the distinguished Indian academician, has found it possible and perhaps even necessary to conclude that "Kashmir is merely a symptom of a disease—essentially a Pakistani disease—which is Pakistan's pathological hostility to India."⁴

INDIA'S VIEWPOINT

As for India, again Tashkent is a good starting point. Under Indian Prime Minister Lal Bahadur Shastri, relations between Pakistan and India, so deeply scarred by the September war, were restored to normalcy, with no other commitment than to undertake talks with Pakistan at a ministerial level on matters of mutual concern. Pakistanis generally thought that India had finally agreed to treat Kashmir as an issue in dispute; when the ministerial talks were begun at Rawalpindi early in March, 1966, the Pakistanis found new cause for optimism. India's Foreign Minister Sar-

³ See the commentary by S. C. Gangal, "The Commonwealth and Indo-Pakistani Relations," *International Studies*, July–October, 1966, pp. 139–40.

⁴ M. S. Rajan, "The Tashkent Declaration: Retrospect and Prospect," *op. cit.*, p. 1.

dar Swaran Singh indicated that he was "not averse to discussing the Kashmir question or any other matter which Pakistan may raise." After the meeting was over, he again insisted that at future meetings "if Pakistan raises the Jammu and Kashmir question, then we would certainly discuss it and find a settlement through peaceful means." As though real progress were being made, the Pakistani foreign minister noted with enthusiasm that "A dialogue has started on Kashmir. We discussed this dispute in Tashkent at length, and we did so at the ministerial-level meeting in Rawalpindi." All of which led him to conclude: "Now that we have started talks on Kashmir, I have no doubt that something concrete will emerge."

But it was all illusion. Ministerial talks were abandoned, and to rumblings that Pakistan might turn to the United Nations Security Council to press India to face the issue of Kashmir, the same Indian foreign minister warned that the U. N. would find itself confronted by India's "well-known stand that Jammu and Kashmir is an integral part of India." At this point there were surely those who began to wonder whether some inherent obscurity in Indian logic could permit an official to invite Pakistan to bring up the Kashmir question on the one hand, only to sweep it away on the other with the standard, shopworn response that it is an "integral part of India." And if that were not enough, it can be added that the pleasant but enigmatic Mr. Singh was ultimately replaced in the Indian foreign ministry by a Muslim, who in the words of one commentary, "as Congress Muslims are apt to do, has specialized in being more loyal than the King." The same commentary concluded, not without reason:

To the world, still hoping for a settlement between India and Pakistan, this may be a gloomy thought; to the Indian elector it is more likely an encouraging one.⁵

One of the difficult elements in Indo-Pakistani relations has been the arms race, to

which the United States has been an important contributor ever since it began delivering military equipment to Pakistan over a decade ago. American military support to Pakistan has totalled well over a billion dollars since 1954, and has accounted for nearly all its air force and tanks, as well as most of its artillery. No matter how one views this help, it would have been difficult for American policy to touch Indian nerves more stridently. To India, Pakistan's dynamic defense policy was a function of its hostility to India, and only blind or moonstruck Americans could possibly think otherwise.

When, on the other hand, the United States came immediately and impressively to India's aid in the face of China's shocking attack in 1962, Pakistan was uneasy. It is still uneasy, and it watches with great concern everything India has received by way of military equipment now that two wars in five years have taught India a lesson in the importance of military defense. Considering India's heritage and the desperate needs of its economy, probably no country has resented more the necessity for draining away \$1.5 billion a year on armaments. But there is complete reciprocity in Indian-Pakistani suspicions regarding the real objectives of each other's military aid: India is convinced that massive American arms (and modest though spectacular arms from Communist China recently) are important to Pakistan mainly in its rivalry with India, and Pakistan is no less certain that military aid to India—from all sources—has little to do with presumed threats from China and is clearly related to India's enmity towards Pakistan. It might be noted that an extensive review of India's arms acquisitions since the September war was given by the Pakistani foreign minister on August 10, 1966, from which it was concluded that none of the impressive list of items (including 600 tanks, 400 heavy guns, 200 tank transporters, 50 naval aircraft) could be used "against China across the Himalaya mountains."⁶

India, far more than Pakistan, is hurt by the ambivalence of its relations with the West. Just when India needed arms so desperately during its war with Pakistan, Britain and the

⁵ *The Economist* (London), November 19, 1966.

⁶ See the summary and commentary in "Pakistan: Popular Feeling for China; Resistance to Projects with India," *The Round Table*, October, 1966, pp. 441-42.

United States stopped all military aid to both. More socialistic than Pakistan, at least in doctrinal utterances and inclinations, India must also encourage the private sector of its economy to attract more Western aid. More sensitive of the need to escape from the domination and dictate of others, its decision to devalue the rupee last year was seen as the consequence of pressure from the World Bank and the International Monetary Fund. Even Prime Minister Indira Gandhi's visit to Washington in March, 1966, to honor the tentative plans of Shastri, her ill-fated predecessor, seemed ill-phased.

INDO-AMERICAN RELATIONS

Ironically, India's acute food shortage—the sequel of two consecutive years of crop failure due to unusual aridity during the monsoon season—has brought in its wake a further strain on Indo-American relations. Our generosity in supplying much-needed emergency grain shipments for the 1965–1966 food crisis not only depleted our reserves but led Americans to conclude that India must do more for itself by way of reform and the anticipation of future food shortages. Clearly, neither India nor the United States expected to be faced with the very same crisis in the succeeding year, but fate so decreed. India was caught in the web of delays in arranging for new emergency shipments, delays that were clearly the result of United States insistence on longer-range planning, more diversified suppliers and so forth. Few Indians questioned that India needed to change its ways. But American unwillingness to put aside this issue when India stood helpless before a new wave of starvation in 1966–1967 did not sit well with worried Indian officials.

While the United States did come through with a new, interim “food-for-peace” agreement in December, 1966—one which would supply India with 900,000 tons of wheat and sorghum to meet part of the oncoming crisis—it did not act gracefully. As *The New York Times* complained:

The Indians . . . feel that they are being bludgeoned by Washington into self-help measures which New Delhi considers unduly onerous. These include a further shift from industrial development to agriculture, acceptance of stiff terms from foreign oil companies for construction of fertilizer plants, and decontrol of food prices and distribution.

No one questions the American right to advance such proposals or to try to insert them into India's annual and five-year plans. But Washington's efforts to dictate Indian policy on a month-to-month basis, with food as the pressure instrument, is wholesome for neither country. It could tarnish the reputation of the United States—hitherto one of decency and generosity—not only in India but throughout Asia.⁷

The most acute difficulty was the language of the United States Food For Peace Act, which came into effect on January 1, 1967, and which was the implementing legislation for the new food shipments. The act forbids supplying food to countries that trade in any fashion with North Vietnam or that sell anything but medicine or non-strategic food and agricultural commodities to Cuba. Indian politics being what they are, there was an immediate outcry that India had abandoned its honor and self-respect by accepting such conditions in its eagerness to get American grain. Actually, India qualified under the act without any changes in its trade policy whatsoever.

That the United States is getting “tougher” in its various roles vis-a-vis India is, in balance, commendable. What is wrong with this attitude may be the unfortunate coincidence that it seems to emerge when President Lyndon Johnson's frustrations over Vietnam have made him unusually sensitive to criticism. Certainly Mrs. Gandhi's public views on the bombing of North Vietnam have annoyed the White House, and a *New York Times* dispatch from New Delhi late in January, 1967, suggested bluntly that “Many Indian officials believe that Mr. Johnson's pique over Mrs. Gandhi's statements on Vietnam is one reason for his present toughness.”⁸

Further evidence of the awkwardness of Indo-American relations in this delicate period of transition is hardly needed, but the unhappy fate of President Johnson's plan for

⁷ Editorial in *The New York Times*, January 22, 1967.

⁸ *Op. cit.*, January 25, 1967.

the creation of an Indo-American Foundation might serve as a fitting capstone to the subject. It all began with a surprise announcement on the occasion of the White House dinner honoring the visit of Prime Minister Gandhi on March 28, 1966, when President Johnson proposed this "new and imaginative venture," to be established in India and endowed with \$300 million of counterpart funds (American-owned, unconvertible Indian rupees). The foundation was to promote progress in all fields of learning, and was clearly couched in terms that would remove it from the taint of being just another creature of American interest and foreign policy. Four months later, it was announced that the proposal had been "set aside" by mutual consent. Among other critics, 54 professors at Delhi University had signed a declaration contending that the proposal would mean foreign involvement in determining Indian educational policy and would undermine "the system of values we cherish."

An account of the abortive Indo-American Foundation emphasizes a growing alarm that Americans well-versed in the ways and sensitivities of India, and Indians well-versed in the ways and sensitivities of the United States, may be plentiful even in high places, but on some occasions they are not being heard. Considering the temper of Indian leadership, the delicacy of that government's relations with the United States, and its own insecurities at home, President Johnson's proposal should not have been made. Demonstrations of a capacity for misjudgments of that magnitude are unsettling.

INTERNAL AFFAIRS

One could spend considerable space reviewing the increasing preoccupation of both countries with their respective internal affairs. Political stability may look appreciably more secure in Pakistan than in India at the present time, but the growing discontent of East Pakistan cannot be disregarded. East Pakistan will not quickly forget the many lessons of the September war: its loneliness in the presence of India's military threat; its feeling that Rawalpindi's heady adventuresomeness

in Kashmir had imperiled all of East Pakistan for the sake of four million Kashmiris; its lack of enthusiasm for West Pakistan's public appreciation to China for restraining India from invading its part of the bifurcated country.

On the other hand, India is increasingly torn by internal tensions stemming from language, ethnic and religious separatism, and from soaring inflation and food shortages. Its greatest source of political stability—the long-ascendant Congress Party—is on the verge of disintegration, and national leadership has almost ceased to exist. This is not a period for optimism.

And above all still hangs the cloud of Indo-Pakistani hostility, from which so much trouble in both countries springs. Except for the miracle of the Indus River water agreement, the solution to almost any dispute or problem between them seems to soar immediately out of reach. Even the dispute over the legal ownership of the historic India Office Library in London has not escaped. Ownership of the library—a great archive of history founded by the East India Company in 1801—was vested in the British Crown under the Government of India Act of 1935. Discussions as to the disposition of the library began among Great Britain, India and Pakistan in 1959. After a meeting between Nehru and Pakistani President Ayub Khan in the fall of that year it was announced that both countries would make a joint appeal to Britain for the transfer of the library to them. Britain thereupon countered that the library was the property of the British Government and that in the interests of international scholarship it should not be divided or dispersed.

While both India and Pakistan contended

(Continued on page 308)

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Australia's defense situation is changing. As Britain, France and the Netherlands began to cut their commitments in eastern Asia, our author states, "For Australia the handwriting on the wall seemed clear . . . another source of strength was needed to replace that which was withdrawing."

The Changing Face of Australia

By CHARLES B. HAGAN

Professor of Political Science, University of Illinois

MODERN AUSTRALIA—on the world's smallest continent—is the outgrowth of a series of colonies planted by the British in the late 18th and early 19th centuries and subsequently granted responsible government in the 1850's. Inter-mittent steps toward union followed over the latter half of the 19th century until 1901, when final agreement on a federal union of the colonies became effective. The new union met a mixed reception. It was vigorously supported by the eastern states, whereas, in the early days, Western Australia was a reluctant associate. Now, however, in the 1960's, the six states are strongly united.

The study of government at work in Australia is interesting. Looking closely at its structure one can see that its federal system owes much to the United States: the bicameral legislature with equal representation of the states in a senate and a house based on population; the distribution of governmental authority over commerce; the allocation of substantial governmental responsibilities to the states; some of the rules governing the relations among the states and between the newly-created national government and the states; and the creation of the Australian Capital Territory.

However, United States influence did not extend to providing for a presidential system. In their national government and in all of the states, the Australians utilize a cabinet system which combines the executive and

legislative branches and makes the former responsible to the latter in the traditional British manner. In Australia, the national government is probably in a stronger position vis-a-vis the states than is the national government of the United States. Such a judgment involves a number of intangibles, but the following arrangements provide some tangible evidence: (1) In 1928, a constitutional amendment authorized the national government to enter into a financial agreement with the states under which the national government was to assume responsibility for the outstanding state debts and the states in turn were to forfeit the privilege of borrowing from the public. The agreement was made and is currently operative. The result is that the loan council of the national government sells public securities and makes loans and grants to the states as it sees fit; (2) In 1942, an amendment transferred social and welfare services to the national government; and (3) The national government has, since 1942, monopolized the income tax as a source of revenue from which it makes grants to the states.

In brief, in Australia as in the United States, the national government has expanded its activities over the years. In some measure, the same influences are at work in both countries: the greater financial resources of the national government; the greater attention to affairs that engage the national government in contrast to the more routine ac-

tivities of the state and local governments; and last, but not least important, the need for national handling of foreign trade matters, upon which so much of Australia's industrial and economic development depends.

On the state level, each of the states has its own constitution providing for the structure of its government, but unlike United States state constitutions, they do not provide for judicial review. The legislative body that provides the constitution has the authority to change it in the same manner as any other law. Occasionally such changes require approval in a referendum. The national government does provide for judicial review by a supreme court. That court has played a significant role in the developing governmental institutions and the distribution of governmental authority.

THE POLITICAL PARTIES

The governmental institutions are operated by political parties and a bureaucracy in a manner well understood in Western countries. Policy formation is primarily the function of the parties. At the national level a Liberal-Country Party coalition has provided the governing group since 1949. Sir Robert Menzies, a Liberal, resigned as prime minister of that coalition in 1966, when he was succeeded by Harold Holt, also a Liberal. The second post in the cabinet has consistently been held by a member of the Country Party. The Australian Labor Party, led by A. L. Calwell, has been and is now the opposition party. In recent years, a Liberal-Country Party coalition or the Australian Labor Party (A.L.P.) has presided over the state governments.

Since they determine the interpretation of events, an account of the parties and their current problems deserves attention here. The A.L.P. is the oldest of the parties, traceable back to the 1890's. After formation of the union in 1901, it continued to develop and has, in some ways, been the most continuous institution in Australian politics. On several occasions it has formed cabinets at both state and national levels. To some extent the other Australian parties have been organized against the A.L.P. but they have

not enjoyed as continuous an institutional life. Movements between the parties have occurred from time to time and the anti-Labor parties have been composed of coalitions of different strengths at various times. In some of the states the A.L.P. has had long terms in office—for example in New South Wales from the early 1940's to 1965. But other parties have had the same experience, e.g., the Liberal-Country League coalition governed in South Australia from the mid 1920's to 1965, when it was succeeded by a Labor government. At the national level the Liberal-Country Party coalition has governed since 1949 and seems destined to govern for the indefinite future.

The Communist Party has operated in Australia since World War I. Its fortunes have fluctuated and its tactics have varied. It currently is important in a number of unions and in a number of electoral districts. Immediately following World War II, the party inspired great concern among labor people and in other sectors of the population which overlapped labor, especially the Catholics. Some union leaders developed an "Industrial Groups" strategy for the purpose of ousting the Communists from their leading positions in a number of unions. The Groupers were and have been successful in many unions and locals, but not to the extent of completely ousting Communists. Legislation to make the party illegal passed the parliament in 1950 but the act was ruled unconstitutional in 1951.

Supplementing the actions of the Groupers was the appearance in the 1940's of the Movement. Closely related to the Catholics in its early years but expanded to the point where the religious connection clearly no longer exercised a controlling influence, it aimed at the removal of Communists from control of organizations of a more general character than labor unions. Today, the National Civic Council, led by B. A. Santamaria, is the present form of the earlier Movement.

The Groupers and the Movement had, obviously, a common goal. Nonetheless, a cleavage developed within the A.L.P. which erupted into an open break in 1954 with the



formation of the Democratic Labor Party (D.L.P.). The party—a right-wing, predominantly Catholic grouping—has operated to frustrate the A.L.P. from obtaining a majority of the membership in both the national parliament and in a number of the state parliaments. A.L.P.'s success in South Australia is the single exception.

The electoral strategy of the D.L.P. has

been to run candidates with little expectation of winning the election. It has elected an occasional federal senator. Under Australian electoral laws the voter has the obligation to designate his second choice and, where no candidate receives a majority of the popular vote, the first choices of the low candidates are transferred to second choices. The D.L.P. has consistently given its second choices to

anti-A.L.P. candidates, usually candidates of the Liberal-Country Party coalitions. The result has been to make the A.L.P. the opposition party but unable to win, even though it may have the largest percentage of the popular vote. Further, the D.L.P. has been accused of selecting candidates with names that begin in the early part of the alphabet in order to get the "donkey vote."¹

The Liberal Party has existed since 1944 and is composed of groups that derive from earlier anti-Labor parties. It emerged successfully from the 1949 general elections with a substantial vote and membership in the national parliament, but without a majority. Then the coalition with the Country Party was effected and, at the national level, Australia has been governed by that coalition ever since. As noted above, the coalition has been the beneficiary of the D.L.P. second choices. It is the party of business and those segments of the public that are opposed to Labor control.

The Country Party or League (as it is known in some states) is a marginal portion of the electorate that has maintained its separate organizational existence since shortly after World War I. It polls from 10 to 20 per cent of the popular vote and has membership in the houses of the various states as well as in the national parliament. Its vote added to that of the Liberal Party has enabled the coalition, with the aid of the D.L.P., to form governments in Queensland, New South Wales, Victoria, Western Australia, Tasmania as well as on the national level. The central characteristic of the party is its "country-mindedness."

Often election coalitions are formed between the two parties so that neither runs candidates in the districts allotted to the other. Occasionally a state Liberal Party has ambitions to expand its power by running

candidates in all districts and requesting its voters to give their second choices to the Country Party. In 1966, Prime Minister Holt made a special trip to Queensland to persuade the Liberal Party of that state not to run candidates in all districts in order to leave the Country Party some "safe seats." He was successful, but it is evident that some of the state parties are reluctant to limit their development for the benefit of the national coalition. It seems unlikely that the Country Party voters would turn their votes to the A.L.P. or the D.L.P. But, it should not be forgotten that some of the Australian "cockies" (farmers) have strong socialist backgrounds that tie them ideologically to the labor parties.

The party situation in Australia at the present time makes it almost certain that the Liberal-Country Party coalition will continue in control at the national level. The national election in November, 1966, resulted in an increase in coalition house members. This success, plus the coalition's success in many states in recent years, places the A.L.P. in a weak position. A. L. Calwell, the present A.L.P. national leader, is an elderly man. Further, the internal turmoil in the labor parties themselves may be building up for substantial changes in future party strength; 1966 saw a bitter struggle in the national A.L.P. parliamentary party. In short, the A.L.P. remains the opposition party, but a weak one.

THE ECONOMY

In his recently published *The Lucky Country: Australia in the Sixties*,² Donald Horne speaks of his countrymen's "talent in empiricism" as affording "a new and practical dimension to economic planning."

The Australians have indeed developed their economy in a highly pragmatic fashion insofar as the issue is governmental and/or private ownership. Seldom is there a political conflict that divides the nation on that issue. The Liberal Party under Menzies and now under Holt, his successor, has had as its principle, to quote the former,

no doctrinaire political philosophy. Where gov-

¹ In Australia, candidates are listed on the ballot in alphabetical order and everyone must register and vote. The "donkey vote" is a portion of the electorate that votes only to avoid the fine for non-voting; having no conviction about the outcome, they often vote for the names at the top of the ballot.

² (Baltimore: Penguin, 1966.)

ernment action or control has seemed to us the best answer to a practical problem, we have adopted that answer at the risk of being called Socialists. But our first impulse is always to seek the private enterprise answer, to help the individual to help himself, to create a climate, economic, social, industrial, favorable to his activity and growth. . . .

By the Australian Labor Party, the Liberals have been characterized as a "wait and hope" party. A.L.P.'s Cyril Wyndham speaks of his own party's "deep concern with humanitarian principles" and active plans for the future.

The Democratic Labor Party is actually not far from the parent body in social and economic policy, but its foreign policy considerations have pressed it into an implicit coalition with the Liberal-Country coalition government. The Country Party, in the words of its leader, John McEwen, conceives

... our role as a dual one of being at all times the specialist party . . . for rural industries and rural communities. At the same time we are the party which has the total coordinated concept of what is necessary for the growth and safety of the whole Australian nation.

The second role, McEwen continues, may involve the party in protecting industry in its drive toward increased output, and he adds that it must be kept in mind that the only way for the Country Party to affect public policy is to coalesce in these goals with the Liberal Party.

As a result of these pragmatic coalitions, no startling changes in governmental policy occur when the governing party changes. Private enterprises are supported and assisted in a variety of ways, while in some fields both kinds of ownership—public and private—operate, usually with understandings between them. Governmental activities include the usual law enforcement, sanitation, water, postal and communications services by wire, roads and streets. In addition, government provides railroads, electricity production and distribution, and irrigation. The Snowy project is an outstanding example of an effective government enterprise. Patterned administratively on the United States Tennessee

Valley Authority, it transports part of the head waters of the Snowy River of New South Wales across the Great Dividing Range. In the process electricity is produced and the water finally is used to supplement the irrigation resources of the Murray and Murrumbidgee Valley areas that enter the ocean in South Australia.

As for education, it is shared with some nonstate schools at the primary and secondary levels, but all tertiary education is in universities supported by federal and state funds.

Privately-owned enterprises dominate the agricultural sectors of the economy, but aids of various kinds are made available to them. Marketing assistance, subsidized fertilizers, and a monopoly for sugar are examples of the situations that exist. Privately-owned firms also predominate in the manufacturing and mining activities which contribute greatly to the economic output of the nation. Again, governmental aid is often extended to protect industries from foreign competition and financial aids are often available.

There are both publicly and privately-owned airlines, banks, shipping, housing projects and radio and television stations—the latter, in particular, under constant criticism in the press for the pseudo-American taste of their broadcasting.

FULL EMPLOYMENT

Since World War II it has been the policy of the government to maintain full employment. With this end in view, the central Reserve Bank of Australia has assumed the function of managing money and credit; governmental fiscal controls have been tied into the monetary policies. Related to that development is the older program of governmental agencies providing for the arbitration and conciliation of wage disputes. The program dates from 1907, and, in recent years, vigorous controversy has developed over the relation between wage controls and full employment and foreign trade. The original goal in the prewar period was to assure a basic minimum wage for "the normal needs of an average employee." Later "margins" were added to allow for differential skills,

and the programs have persisted. Australia's ambition to become a different kind of nation since World War II has posed fundamental problems for the judges engaged in settling wage disputes, both on the national level and in the states.

WORLD MARKETS

Whatever the domestic ambitions of the Australians for their economic life, the nation has always had to come to terms with the world markets in which it sold its wool, its meats, its fruits, its minerals and its wheat. World prices have had their impact inside Australia; the country has prospered when the terms of trade were in its favor, but it has had to endure long periods when the terms were adverse.

The Empire and Commonwealth preferences that have existed since 1932 were intended to preserve member markets against outside competition. Australia's trade in both directions has traditionally been an important item, but changes are impending. They are revealed in the increasingly important role played by Japan and the United States in Australian economic life. These two countries together with the United Kingdom are still the most important markets for Australian commodities, accounting for more than 47 per cent of its exports in 1965-1966. The same three countries are the sources of over 57 per cent of its imports. Britain and the United States provide a far larger proportion of the latter than does Japan. Concurrent with this shift from the Commonwealth has also come an increase in Asian trade in general. Japan, it seems clear, is destined to play a more important role in the future. Mainland China also has possibilities for the future.

The Japanese development merits further attention. Recently an agreement was signed between the two nations to develop the immense iron ore resources in Western Australia. This envisages a long-term project of at least 20 to 30 years duration and involves the building of railroads, ports, ore ships and other facilities. Already Japanese motor cars are becoming common, and a future assembly

plant is in the making to avoid certain protective tariff provisions: this on top of a large trade in wool, meat and food products. In some cases raw materials are moving to Japan, being processed there and shipped back to be sold in Australian markets.

The entry of Britain into the Common Market, while not yet a certainty, is a prominent element in Australia's calculations for the future, as is the possibility of potential markets in the Asian countries. As will be seen, this development ties in with the foreign policy problems of this rapidly developing country. Australia is certain to be caught in the snares of the international markets. It cannot isolate itself from them; it is not self-sufficient, and any changes in the British nation must have great consequences in the antipodes.

FOREIGN POLICY

Until recently, Australia and New Zealand were beneficiaries of the British domination of Southern Asia, and perhaps of implicit understandings between France and the Netherlands over the areas south and east of Asia as well. Australia's defense problem was simple; it had to preserve domestic order and to associate itself with the mother country. So long as China and Japan did not have ambitions beyond their existing boundaries, and as long as the United States had an obligation to defend the Philippines, there was little for Australia to worry about in this regard. The great British base in Singapore, plus the other military commitments of France, the Netherlands and the United States, made it unnecessary for either Australia or New Zealand to maintain a standing army or navy.

The first major threat to this comfortable situation was Japan when, before and during World War II, it threatened the entire region east of Burma and south of China. Nor did the Pacific victory of the United States and its allies in 1945 restore the prewar situation. The Netherlands were compelled to withdraw from Indonesia and an independent nation was formed; the French were defeated in Indochina and a new situation with several successor nations resulted; Britain granted

independence to India and Pakistan; Burma asserted its freedom of maneuver; and Malaysia, after a number of years troubled with a communist-led revolt, emerged as an independent nation.

At the same time, these national independence movements had their counterparts in Africa. The new nations were bent on their national development; the costs of the war had been enormous; understandably, the resources available to maintain British military and naval forces in distant places began to appear less essential to the people of the United Kingdom. And Britain gradually weakened. Simultaneously, the development of a Common Market on the mainland of Europe, with a common tariff against non-member states, forced the United Kingdom to compare the advantages of a market in the highly-developed European economies with those in the not-so-highly-developed nations who now wanted to concentrate on their own domestic economies.

POLICY REVISION

For Australia the handwriting on the wall seemed clear. As Britain, France and the Netherlands cut their commitments in the eastern part of Asia, another source of strength was needed to replace that which was withdrawing. This meant substantial revision of the world picture.

Several developments reflecting this revision have taken place. In 1951, the United States, New Zealand and Australia entered into the defensive pact known as ANZUS. A somewhat looser association of southeast Asian nations was created in SEATO in 1954. The United States and Japan also have an alliance, and the United States has commitments to South Korea, Taiwan and the Philippines. It must also be remembered that pressures within Australia include a Communist Party that has considerable influence in several of the labor unions and in the A.L.P.

There can be no doubt that the government has realized the revolutionary change in the situation in Asia. A major achievement has been the Colombo Plan, under which a number of southeast Asian countries have been

invited to send students to Australia for education at the tertiary level. Some twelve thousand students from all over Asia have thus been assisted. They have been completely accepted as equals and friends by Australian students, sometimes to the surprise of the latter's parents and the horror of their surviving grandparents.

Of greatest import is the maintenance in Australia of selective military service for the first time in its peacetime history. The grant of military and other aid in support of the South Vietnamese against the North Vietnamese has had a number of unpleasant reactions in Australia, but the Menzies cabinet and its successor under Holt have continued to support the Vietnam action. This constitutes another "first" for Australia, for in both world wars, Australian troops volunteered for service abroad; compulsory service was used only to defend the mainland.

Australia must also act in the matter of Britain's desire to dismantle its military base in Singapore. It has offered facilities rent-free in the northern part of the continent for the continuation of such a base, but the final outcome is not yet determined. It is likely that the British will ultimately withdraw at least to the Middle East, if not further. Australia thus faces the necessity to develop a military strategy to cover this British pull-out.

Aid to the United States in South Vietnam seems only an obvious ploy in the long-term problem of relating realistically to southeast Asia. Defense problems clearly tie in with problems of trade. Australia has finally to admit to being an Asian nation. Hopefully, the other Asian nations will be tolerant, and Australia will continue into the 1970's a "lucky country."

During part of 1966 Charles Hagan was an Australian-American Educational Foundation Lecturer in Australia, at the University of New South Wales. His prior teaching position in that country was at the University of Sydney as a Fulbright Lecturer, during the 1957 to 1958 academic year. He is the author of many articles for professional journals.

CURRENT DOCUMENTS

The Twenty-fifth Amendment to the United States Constitution

On February 10, 1967, the 25th Amendment to the United States Constitution automatically became law when it was ratified by three-fourths of the 50 states. On December 12, 1963, following the assassination of President John F. Kennedy in November of that year, the amendment was introduced by Senator Birch Bayh (D., Indiana). It was adopted by Congress on July 6, 1965. Three states—North Dakota, Nevada and Minnesota—contended for the honor of being the 38th state to ratify the amendment. The full text follows:

SECTION I

In case of the removal of the President from office or his death or resignation, the Vice-President shall become President.

SECTION II

Whenever there is a vacancy in the office of the Vice-President, the President shall nominate a Vice-President who shall take the office upon confirmation by a majority vote of both houses of Congress.

SECTION III

Whenever the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Vice-President as Acting President.

SECTION IV

Whenever the Vice-President and a majority of either the principal officers of the executive departments, or of such other body as Congress may by law provide, transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is un-

able to discharge the powers and duties of his office, the Vice-President shall immediately assume the powers and duties of the office as Acting President.

Thereafter, when the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that no inability exists, he shall resume the powers and duties of his office unless the Vice-President and a majority of either the principal officer of the executive department, or of such other body as Congress may by law provide, transmit within four days to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office. Thereupon Congress shall decide the issue, assembling within 48 hours for that purpose if not in session. If the Congress, within 21 days after receipt of the latter written declaration, or, if Congress is not in session, within 21 days after Congress is required to assemble, determines by two-thirds vote of both houses that the President is unable to discharge the powers and duties of his office, the Vice-President shall continue to discharge the same as Acting President; otherwise, the President shall resume the powers and duties of his office.

BOOK REVIEWS

On Britain and the Commonwealth

A DECADE OF THE COMMONWEALTH, 1955-1964. EDITED BY W. B. HAMILTON, KENNETH ROBINSON, and C. D. W. GOODWIN. (Durham: Duke University Press, 1966. 567 pages and index, \$12.50.)

This collection of 25 essays deals with various aspects of the 1955-1964 decade of change in the Commonwealth, "considering the interrelationships of its members, its history, its institutions, its international relations, its peoples, and its economic structures and problems." The essays are of uniformly high quality and noteworthy for their readability.

A.Z.R.

POLITICAL DEVELOPMENT IN PAKISTAN. BY KARL VON VORYS. (Princeton: Princeton University Press, 1966. 341 pages, appendix and index, \$6.50.)

The subject of political development—the process by which a traditional society is transformed into a viable, developing modern political system—is acquiring growing importance. Economic development is only a phase of political development. As Professor Von Vorys observes, "ultimately . . . political development will rest upon the emergence of political institutions (and leadership patterns) which are able to mobilize mass support."

This pioneering study is divided into two parts. While noting that Pakistan has made important progress, the author does not believe that "guided democracy" has yet brought the country to a self-sustaining stage of social and economic change. This is a thoughtful, thorough piece of scholarship.

A.Z.R.

NEW FEDERATIONS: EXPERIMENTS IN THE COMMONWEALTH. BY R. L. WATTS. (London: Oxford University Press, 1966. 417 pages, appendix, bibliography and index, \$11.20.)

In this book the author, who is a professor of political studies at Queen's University, Ontario, analyzes the experience of six new nations with federal political institutions. The nations are all members of the Commonwealth: India, Pakistan, Malaya and Malaysia, Nigeria, Rhodesia and Nyasaland, and the West Indies.

Part I discusses the political and social factors which influenced the creation and operation of these federal systems. Part II explores the factors noted above in greater detail. Part III, which is the heart of the study, examines the distribution and operation of legislative and executive functions, the allocation of financial resources, and the impact of judicial and constitutional restraints. Part IV provides an excellent summation of the effectiveness of these experiments in federalism. This is an outstanding work of erudition and analysis, and should be a major source book for many years to come.

A.Z.R.

NEHRU: THE YEARS OF POWER. BY GEOFFREY TYSON. (New York: Frederick A. Praeger, 1966. 206 pages and index, \$5.00.)

This book contributes little to the historical evaluation of Nehru as a national leader. Touching on Nehru's handling of India's economic and foreign policy problems, the author contributes insights gained from personal interviews with Nehru and an extensive familiarity with the Indian

scene. It is a useful summation of the Nehru era and should prove of interest to the nonspecialist.

A.Z.R.

AUSTRALIA. By J. D. B. MILLER (New York: Walker and Company, 1966. 212 pages and index, \$6.50.)

The United States involvement in Vietnam has stimulated American interest in Australia. Long neglected (except during World War II) because of its geographic position, Australia is a key to western strategy in Asia. This book lucidly sketches the historical background, economic development, governmental system, and cultural condition of our ally and friend.

A.Z.R.

THE EUROPEAN IDEA. By LORD GLADWYN. (New York: Frederick A. Praeger, 1966. 138 pages, appendices and index, \$5.00.)

The author, better remembered by Americans as Sir Gladwyn Jebb, frankly describes his book as "a political tract" designed to persuade his intended readers—educated Britons—that Britain should join the Common Market. He writes lucidly and forcefully; he marshalls his arguments logically; he presents his evidence carefully. His analyses of the issues inherent in the question of British membership and his summaries of the arguments on each side of each issue are excellent. However, his purpose contributes to the book's limitations. He intended to write with clarity and persuasiveness, not to advance novel lines of thought. While his analyses and arguments are sound, they have long been known to the serious student. His book will be of value chiefly to the layman.

G. W. Thumm
Bates College

1940. By LAURENCE THOMPSON. (New York: William Morrow & Co., 1966. 231 pages and source list, \$5.95.)

The author, a highly competent journalist, has produced a well-written account of

"The year of Britain's supreme agony; Hitler's great blunder, and America's march toward war." He has written neither military nor political history. What he has done is to interweave the tortuous—almost devious—steps by which Winston Churchill came to power with the developing story of military operations. By the time he tells the story of the "Generals' Plot" within the military high command, the catastrophe in Norway, and the collapse of France, the succession of Churchill is revealed as far less inevitable than most Americans regarded it. Then, with his delineation of the Battle of Britain and increasing American involvement, he conveys a sense of the future course of the war. Even the scholar who finds little new in the book will appreciate Mr. Thompson's account; it exudes the atmosphere of the time.

G.W.T.

THE ROOTS OF FREEDOM. By BERNARD SCHWARTZ. (New York: Hill and Wang, 1967. 238 pages, chronology, bibliography and index, \$5.75.)

A very readable and interesting account of England's constitutional history, from which Americans can discover the roots of their freedoms. The struggle to attain a parliamentary form of government, the growth of the cabinet system, the evolving role of the prime minister, the decline of the royal prerogative and other political topics are considered.

K.P.D.

CANADA'S ROLE AS A MIDDLE POWER. EDITED BY J. KING GORDON. (Toronto: Canadian Institute of International Affairs, 1966. 209 pages, \$3.50 hardbound, \$2.00 paperbound.)

What is the role of a middle-sized power in today's world? In this collection twelve outstanding Canadians present their answers, each in his own area of interest. Given Canada's qualified binationalism, her ties to Britain, and her discomfort under the benevolently oppressive influence of the United States, they seek a policy

which will maintain national identity and self-respect. Among the topics considered are the United Nations, international economic policy, and defense policy—the latter with special reference to NATO and the United States. Although the papers do not pretend to form a unified or coordinated whole, together they are worthy of serious consideration both north and south of the Great Lakes.

G.W.T.

ASIAN BUREAUCRATIC SYSTEMS EMERGENT FROM THE BRITISH IMPERIAL TRADITION. EDITED BY RALPH BRAIBANTI. (Durham: Duke University Press, 1966. 675 pages, tables, bibliographies and index, \$17.50.)

This book comes from the well-known and highly regarded Duke University Commonwealth-Studies Center. Eleven studies by competent scholars analyze “administrative concepts and institutions diffused in five states formerly under British imperial rule, Burma, Ceylon, India, Malaya and Pakistan.” A chapter on Nepal is added as a variant (it was never under foreign rule) which has been indirectly influenced by Western concepts. The authors investigate the administrative conditions existing after independence, concluding that British traditions endured; however, the British administrative influence is being undermined now that some of the older nationals are retiring from bureaucratic service. The new ideologies and reforms taking hold are closely scrutinized.

K.P.D.

PURPOSE AND POWER. BY HAROLD WILSON. (Boston: Houghton Mifflin, 1966. 194 pages, \$5.00.)

This is the second publication of Prime Minister Harold Wilson’s speeches. His first book, *Purpose in Politics*, contained his projected programs should the Labour Party come to power. And now, this present collection of 15 speeches offers an opportunity to study what Wilson calls a “progress report on one year’s work.”

K.P.D.

NEIGHBORS TAKEN FOR GRANTED: CANADA AND THE UNITED STATES. EDITED BY LIVINGSTON T. MERCHANT. (New York: Frederick A. Praeger, 1966. 166 pages, \$4.95.)

Former Ambassador to Canada Livingston Merchant has compiled a group of interesting and lively essays—all written by persons capable of exploring the misunderstandings that exist between Canada and the United States. The readings delineate the disparities between the two countries, and present some of the facts and the myths that threaten the relationship. “The single most important reason for the continuing absence of a sense of total ease in the relationship between Canada and the United States . . . is the difference in sheer mass—in population, in economic and all the other elements of power—as well as in the responsibility that goes with power.” Merchant concludes with a call for unity and cooperation, suggesting the need for a more healthy reciprocity.

K.P.D.

CHURCHILL: TAKEN FROM THE DIARIES OF LORD MORAN. BY LORD MORAN. (Boston: Houghton Mifflin, 1966. 877 pages, appendix and index, \$10.00.)

This controversial biography gives a clear although obviously prejudiced picture of one of the great figures of this century. Extracted from the diary of Charles Wilson, Lord Moran, who was Churchill’s personal physician, the text is well put together. Lord Moran touches on all aspects of living with Churchill: his personal habits; his influence on the policies of England during World War II; his relationship with other world leaders. The reader sees behind the public image of the statesman. He learns, through the eyes of Lord Moran, of Churchill’s conflicts, his driving will that was almost stubbornness, his colonial prejudices, his chronic ill health after 1940 and his inability to sense the mood of the British people.

The diary opens in 1940 with Lord Moran’s appointment as Churchill’s physi-

cian and continues in a highly personal vein until Churchill's death. It should be considered an important addition to the works about Churchill and is a valuable aid to an understanding of the man and his life.

T.L.T.

BRITAIN AND SOUTH AFRICA. By DENNIS AUSTIN (London: Oxford University Press, 1966. 177 pages, appendices, bibliography and index, \$5.60.)

A timely, closely reasoned, responsible review of British interests—and problems—in South Africa and Rhodesia, this study goes a long way toward understanding the magnitude of the problems. Abundant current statistics are marshalled to show that Britain's interests are important, enormously diverse, and based on a long history with a well-implanted network of attitudes difficult to change rapidly. Austin sees no immediate solutions to the many dilemmas and emphasizes that international sanctions must be seen in the light also of consequences beyond Britain and South Africa.

W.A.E. Skurnik
University of Colorado

WEST INDIES. By PHILIP SHERLOCK. (New York: Walker and Company, 1966. 193 pages, bibliography, biographical sketches, illustrations, maps and index, \$6.50.)

This is a delightful book about the islands and the peoples of the West Indies. "The purpose of the book is to analyze all the islands . . . as a single unit based on a common history." Included in this study are some 75 exciting photographs. K.P.D.

BRITISH POLITICS IN THE COLLECTIVIST AGE. By SAMUEL H. BEER. (New York: Alfred A. Knopf, 1966. 390 pages and index, \$8.50.)

A second edition, this discussion of political parties and their role in the collectivist age in Britain will be welcomed by students of British politics and of the political process in general. Professor Beer traces the story of English politics from Elizabeth to the present, focusing on the workings of

the Labour and the Conservative Parties and the pressures that shape their policies.
T.H.B.

SOUTHERN AFRICA IN TRANSITION. EDITED BY JOHN A. DAVIS and JAMES K. BARKER (New York: Praeger, 1966. 421 pages, \$8.50.)

An essential background book on Africa south of—but including—the Congo (Kinshasa), this study is based on updated papers presented at the fourth annual meeting of the American Society of African Culture. The contributors include prominent Africans as well as American Africanists, and the gist of stimulating discussions following the papers is reprinted. The ten parts are divided geographically and functionally, the latter category treating such topics as violent and nonviolent struggle, and Pan-African and international affairs. W.S.

HALIFAX: THE LIFE OF LORD HALIFAX. By THE EARL OF BIRKENHEAD. (Boston: Houghton Mifflin, 1966. 626 pages, bibliography and index, \$8.50.)

In this highly readable biography, the Earl of Birkenhead deals with Lord Halifax' life in five sections, each explaining a different phase of his life. In the first, the author describes Halifax' family and childhood, with emphasis on the strong religious fervor of the father which was imparted to the son. As the author sees it, Halifax' childhood had a strong influence on his personality and politics. The study continues with Halifax' years in India and his foreign policy as Churchill's ambassador to Washington during World War II. The author concludes with a summary of the accomplishments of this British statesman.

T.L.T.

THE KASHMIR PROBLEM. By ALASTAIR LAMB. (New York: Frederick A. Praeger, 1967. 150 pages, bibliography and index, \$5.00.)

Alastair Lamb, a senior fellow in the Institute of Advanced Studies of the Australian National University, traces the history
(Continued on page 308)

THE WESTERN ALLIANCE

(Continued from page 262)

foreign policy is essentially a transitional one, and, as long as it goes on, it is impossible to give a more definite turn to British defence policy."

A UNIQUE ROLE

In assessing the British position at the present time it is difficult, but essential, to avoid extreme conclusions not justified by the facts. It is as temptingly easy to discount British importance too far today as it was to overestimate it in the 1940's and 1950's. Perhaps even the most eminent sometimes fall into this error. Former United States Secretary of State Dean Acheson said in a speech at West Point on December 5, 1962,

Great Britain has lost an empire and has not yet found a role. The attempt to play a separate power role . . . based on a "special relationship" with the United States . . . this role is about to be played out.⁷

Does not a middle view express more accurately the truth about this famous, but intangible, phenomenon—the special relationship of Great Britain and the United States? Being over-sceptical is no improvement on being over-credulous. Contrary to all expectation, the special relationship survived Suez and indeed was in some measure intensified in the following years.⁸ The reversal of United States attitudes concerning British policies that are really the sunset glow of British imperialism is also noteworthy. The United States was hostile to Britain's continuing role East of Suez down to about 1962, then, as American commitments in the Far East grew, made a volte-face, and is now most

anxious that a British presence should be maintained there.

In fact, there is a closeness of relationship between the two powers which is fundamentally unlike the relationship of any other two sovereign states. On the other hand, this very fact creates a certain embarrassment for Britain, as economic and technological pressures force it more and more to turn to Europe and to aspire to join the Common Market and the other two European functional communities. French President Charles de Gaulle is right to argue that British admission would mean a qualitative and not merely a quantitative difference in the movement towards European integration, and that its consequences are difficult to foresee.

Britain still has much to contribute either to its "special relationship" with the United States, or to Europe. A great industrial system, immense technological skill at all levels, inventive genius—none of these gifts has disappeared. In the political realm, British skill and experience in both domestic politics and diplomacy are notable enough to be a natural resource in themselves. While welcoming the present stability of France, West Germany and Italy, we need not forget that British stability is an older phenomenon. The present year is in a sense a centenary in Britain, for it was the Reform Act of 1867 that first admitted the urban working classes in large numbers to the franchise. The essential nature of the British political system has not changed for the past 100 years—a century of broadly-based parliamentary democracy.

Life seldom fits into the neat patterns of theory, and it is unlikely that Britain can or will in fact be forced to make a clear and final choice between special links with the New World and the obvious continental relationship with Europe. Less and less is it appropriate to think of the world in terms of discrete groups of states shut off from each other. The trend of the times is in the other direction—in the direction of new links, new bridges, new and subtle patterns unthinkable only a few years ago. Britain is uniquely well qualified to contribute to the development of such new patterns within the Atlantic world.

⁷ Strangely, *The New York Times* report of this speech did not include this passage. See *The New York Times*, December 6, 1962, p. 6, cols. 3-6. Not news, or not fit to print? The paper, however, devoted plenty of space in succeeding days to protests concerning the passage.

⁸ Consider, for example, the revised Atomic Energy Act of 1958, especially favorable to Britain, and the Polaris missile deal—a truly remarkable concession on the part of the United States. The special relationship is by no means wholly onesided in its advantages, though this is often said.

CHANGE IN BRITAIN

(Continued from page 269)

the 1960's is also the one full of the most uncertainties. Moreover, it is a step which cannot be taken by the unilateral decision of British government. It also requires the approval of other sovereign states, not least the France of General de Gaulle.

In the civil service, in the party system, in economic policy and in foreign affairs the same pattern is found. Institutions long established and still cherished are proving imperfectly suited to the demands of contemporary British government. In seeking to cope with these problems, the British have the considerable advantage of a long tradition of successful crisis-solving. The accumulated credit helps them to deal with contemporary, more insidious and less easily confronted crises. The irony of the situation is that, in many respects, the unanticipated consequences of past successes has contributed to the chief contemporary problems of British politics.

THE BRITISH ECONOMY

(Continued from page 275)

permitted to grow slowly (though we are at last able to talk with some confidence of boosting economic activity again rather than damping it down). We are reasonably sure that the immediate payments crisis has been resolved. We may also be allowed to hope that the changes now being introduced will mark a turning point in Britain's economic life.

CANADA AT A CENTURY

(Continued from page 288)

a university equal to the best in the world. With the amount the United States spends in one week on Vietnam, it can build a new highway system to draw the provinces together. With but a fraction of what the United States spends in foreign aid, it can develop an assistance program of wide significance. But if Canada fails in imagination or

relapses into paranoia and internal bickering, it may easily dissipate its potential and become, as its critics predict, a pale imitation of the United States. If such is the case, its survival as a nation will indeed be unlikely.

INDIA & PAKISTAN

(Continued from page 294)

that the library should be divided between them, they were unable to agree on the terms of the division. It was reported that in 1962 India proposed that the library be divided on the basis of population—a suggestion that was rejected by Pakistan. Finally, it was announced on November 24, 1965, that the three had agreed to submit the question to a tribunal of three judges chosen from the Judicial Committee of the Privy Council. The world waits. Grinding out the smallest grains of contention between these parties continues to require great patience, time, and the wisdom of Solomon.

BOOK REVIEWS

(Continued from page 306)

of the Kashmir dispute, detailing the chronology of the decades following partition, the attitudes of India and Pakistan, and the possible outcomes for Kashmir. A "historian's view of this tragic quarrel," this brief account offers the lay reader a readable objective account of the background and the possibilities for settlement. T.H.B.

REVOLUTION IN PAKISTAN. By HERBERT FELDMAN. (London: Oxford University Press, 1967. 211 pages, appendices and index, \$6.50.)

A rather detailed historical account of the 44 months generally known as the "Martial Law period" in Pakistan, from October, 1958, to June, 1962—a period during which Pakistani General Ayub Khan ruled by decree. This study adds to the reader's understanding of the difficulties attending constitutional evolution in many developing nations today.

T.H.B.

THE MONTH IN REVIEW

A CURRENT HISTORY chronology covering the most important events of March, 1967, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arab League

Mar. 14—The Jordanian delegation boycotts the opening session of the Arab League ministers conference because of the presence of Ahmad Shukairy, leader of the Palestine Liberation Organization, who has called for the overthrow of Jordan's King Hussein.

Disarmament

Mar. 9—In a memorandum, William C. Foster, the U.S. representative at the Geneva Disarmament Conference, suggests that an international organization, rather than the nuclear powers, screen requests by nonnuclear countries for peaceful nuclear explosive services.

Mar. 23—In Moscow, the U.S. and the Soviet Union open preliminary talks on freezing offensive and defensive missile systems.

The Geneva Disarmament Conference recesses for 6 weeks.

Mar. 29—*The New York Times* reports that, according to informed sources, the U.S. has recently sent a letter to the West German government assuring it that the proposed treaty to end nuclear proliferation would not prevent the creation of a European nuclear force if Europe should become united.

European Economic Community (Common Market)

Mar. 16—It is reported that prominent European leaders of 6 different countries, all members of the Action Committee for the United States of Europe, have signed a statement urging that Britain be accepted for membership in the Common Market.

General Agreement on Tariffs and Trade (GATT)

Mar. 9—The conferees at the "Kennedy round" tariff-cutting negotiations agree that bargaining must be completed by April 30.

Latin America

Mar. 28—U.S. officials report that 20 Latin American nations have agreed to establish a common market some time between 1970 and 1985. Hemisphere foreign ministers agreed on the project at a meeting last month in Buenos Aires; most objections have now been ironed out.

North Atlantic Treaty Organization (NATO)

Mar. 14—Ceremonies are held to mark the closing of Camp des Loges—the European Command headquarters for all U.S. forces in Europe—and the departure of U.S. troops, as demanded by French President Charles de Gaulle. Camp des Loges is not part of the NATO headquarters in France, which is also to be closed.

Mar. 22—It is reported that Giorgio Rinaldi, an Italian accused of spying, has revealed that some 300 persons connected with NATO are involved in spying for the Soviet Union.

Mar. 23—The Italian Defense Ministry announces that there is "no foundation" to the charges that NATO officers are involved in a Soviet spy ring.

Mar. 30—The Supreme Military Headquarters of NATO at Rocquencourt, France, is formally closed one day before the deadline set by Charles de Gaulle.

Mar. 31—The NATO alliance formally opens its new supreme military headquarters in Casteau, Belgium.

United Nations

Mar. 3—It is reported that U.N. Secretary-General U Thant, vacationing in Rangoon, Burma, is conferring with visiting North Vietnamese envoys.

Mar. 5—U Thant, returning from Burma, tells reporters at New York's Kennedy Airport that only an end to U.S. bombing attacks will induce North Vietnam to agree to peace talks.

War in Vietnam

(See also *Intl, U.N.*)

Mar. 2—The U.S. Command in Vietnam reports that yesterday the U.S. guided-missile cruiser *Canberra* and 2 destroyers shelled North Vietnam. North Vietnamese shelling hit and damaged the *Canberra*.

Mar. 10—U.S. Air Force F-105 Thunderchiefs bomb the Thainguyn steel plant (the only one of its kind in Southeast Asia), located 38 miles north of Hanoi. The plant produces "bridge sections, cargo barges and petroleum drums." According to *The New York Times*, U.S. officials have informally declared "that the attack on the steel plant marked a significant broadening of the air war over North Vietnam, with increased risk of civilian casualties among the workers at the plant. But the Government took the official position that the raid did not constitute escalation."

Mar. 15—The Danang air base is attacked by Vietcong rebels, who use Soviet-made 140mm. rockets.

Mar. 21—The North Vietnamese foreign ministry discloses that in February U.S. President Lyndon Johnson sent a letter to North Vietnamese President Ho Chi Minh proposing direct U.S.-North Vietnamese talks on ending the war. Ho replied that talks could follow only after the U.S. stopped its bombing and all other hostilities against North Vietnam.

Mar. 22—U.S. officials in Washington an-

nounce that Thailand will permit U.S. B-52 bombers to be based on its territory; the B-52's will be used for bombing raids on Vietnam.

Mar. 28—The U.S. military commander announces that U.S. planes have bombed a fuel depot and a missile site within 5 miles of the North Vietnamese port of Haiphong.

U.N. Secretary-General U. Thant discloses that, on March 14, he proposed that all fighting in Vietnam cease and negotiations open on reconvening the 1954 Geneva conference. It is reported that on March 18 the U.S. approved the plan with 2 major reservations that Hanoi has consistently found objectionable. Thant reiterates that he is "more convinced than ever that if the bombing of North Vietnam ceases, in a few weeks there will be talks."

Mar. 30—A U.S. military spokesman in South Vietnam discloses that the total of 274 American soldiers killed in action last week in Vietnam was a record high. Enemy losses were also a record at 2,774 deaths.

AFGHANISTAN

(See *U.S., Foreign Policy*, Mar. 28)

AUSTRIA

Mar. 2—It is reported that at the request of the Austrian government, Brazilian authorities have arrested an automobile mechanic who supposedly is Franz Stangl, the commandant of the Nazi Treblinka and Sobibor concentration camps in Poland during World War II. Stangl was responsible for the death of 700,000 Jews.

Mar. 14—Chancellor Josef Klaus arrives in Moscow for a 7-day visit to discuss Austria's desire to seek association with the E.E.C. Moscow insists that association with the E.E.C. will violate Austria's neutrality.

BOLIVIA

Mar. 30—President René Barrientos Ortuño pledges that army troops will quickly liquidate the rebel bands in southeastern Bolivia. Some Bolivian officials reportedly believe

that the guerrillas are led by Major Ernesto Che Guevara, Cuban revolutionary leader.

BRAZIL

Mar. 15—Arthur da Costa e Silva is inaugurated as the twenty-second president of Brazil. He succeeds Humberto Castelo Branco.

CHINA, PEOPLE'S REPUBLIC OF

Mar. 6—According to a dispatch by *Agence France-Presse*, East European sources in Peking report that Premier Chou En-lai has "assumed control of China's governmental Communist party and military affairs, as well as the guidance of the Cultural Revolution."

Mar. 7—The Peking press announces that primary schools in Peking and in Shanghai have reopened.

Mar. 10—In an editorial in *Hung Chi* (ideological journal of the Chinese Communist Party's central committee), Maoists are urged to continue the Cultural Revolution with conciliation for those deserving of trust.

Mar. 11—According to a Peking radio report, Communist China has ordered the expulsion of 2 Soviet second secretaries from the Russian embassy in Peking.

Mar. 15—In Canton, army trucks pass through the streets and announce over loudspeakers that Maoist troops have taken over this South China city. In Peking, demonstrators march for the second day to demand the dismissal of Tan Chen-lin, a deputy premier and allegedly an anti-Maoist.

Mar. 16—It is reported that the militia has been ordered to support actively pro-Maoist forces in their efforts to carry out the Cultural Revolution.

Mar. 21—The *Agence France-Presse* reports that in recent speeches before a congress of 2,500 poorer peasants, Premier Chou En-lai and Chen Po-ta (a leader of the Cultural Revolution) order all revolutionary activity to stop during the spring planting.

Mar. 31—According to a dispatch from Peking, *Hung Chi* (the policy journal of the

Communist Party's central committee) attacks President Liu Shao-chi's book, *How to Be a Good Communist*. The attack is published in Peking papers and is broadcast in Peking over loudspeakers.

EL SALVADOR

Mar. 5—The presidential election is held.

Mar. 6—It is reported that Colonel Fidel Sanchez Hernandez has won the presidential election by a substantial vote.

FRANCE

Mar. 5—Elections for the national assembly are held.

Mar. 6—It is reported that the Gaullists and their allies have received 37.75 per cent of the vote. Run-off elections for the remaining national assembly seats are to be held next Sunday. Of the 78 seats actually decided, 62 have been won by Gaullists.

Mar. 13—Complete returns from the run-off elections yesterday indicate that the Gaullists will command only 244 of the 486 seats in the national assembly, giving French President Charles de Gaulle a majority of one. The Communists have won 73 seats; the Federation of the Democratic Socialist Left has won 116 seats; the remainder are divided among several minor candidates. Foreign Minister Maurice Couve de Murville and some other cabinet ministers are defeated; however, they will be able to remain in the cabinet. Former Premier Pierre Mendès-France, an outspoken critic of de Gaulle, is elected after 9 years out of the government.

Mar. 29—President de Gaulle launches *The Redoubtable*, France's first nuclear-powered submarine.

French Somaliland

Mar. 20—In a referendum on independence for French Somaliland, partial returns indicate that in Djibouti, the predominantly Somali population favors independence whereas the Afar population in the hinterlands wants to remain under French control.

In the Somali section of Djibouti, French

troops put down Somali rioters, killing at least 11. Somalis claim that France has rigged the election. According to complete but unofficial election returns, 22,569 voters asked to remain under French control; 14,723 opted for independence from France.

Mar. 22—A French government spokesman announces that de Gaulle told a cabinet meeting that France will remain in Somaliland.

GERMAN DEMOCRATIC REPUBLIC (EAST)

Mar. 14—Walter Ulbricht, East German communist leader, arrives in Warsaw.

Mar. 15—Wladyslaw Gomulka, Polish Communist Party leader, and Ulbricht sign a 20-year military assistance pact.

Mar. 17—In Prague, Ulbricht and Czech President Antonin Novotny sign a "friendship and support" treaty.

GERMANY, FEDERAL REPUBLIC OF (WEST)

(See also *Intl., Disarmament*)

Mar. 6—Conrad Ahlers, deputy spokesman for the West German government, declares that John J. McCloy, U.S. special envoy, in talks with Chancellor Kurt Georg Kiesinger on March 4 and with Foreign Minister Willy Brandt on March 5, has resolved the conflict over the costs of maintaining 225,000 U.S. soldiers in West Germany. On March 3, the U.S. State Department announced that West Germany would no longer have to purchase military arms in the U.S. to offset the dollar drain of keeping American soldiers in Germany.

Mar. 15—The West German government announces its intention to buy \$500 million worth of medium-term U.S. Treasury securities to help defray the U.S. costs for maintaining troops in Germany.

GREECE

Mar. 29—Premier Ioannis Paraskevopoulos suspends parliament following a political crisis brought about by disagreement between the 2 major parties.

Mar. 30—Premier Paraskevopoulos resigns.

INDIA

Mar. 12—The 435 Congress Party members in parliament unanimously reelect Prime Minister Indira Gandhi to a 5-year term. Her chief rival, Morarji Desai, withdrew after being promised the posts of deputy prime minister and finance minister in Mrs. Gandhi's cabinet.

Mar. 13—President Sarvepalli Radhakrishnan issues a proclamation dissolving the assembly in the state of Rajasthan and imposing presidential rule there.

INDONESIA

Mar. 7—The 653-member provisional people's consultative congress opens a session to consider whether President Sukarno should be expelled from office.

Mar. 12—The provisional people's consultative congress approves a resolution banning any political activities for Sukarno and replacing him with General Suharto, who will serve "as acting president."

ISRAEL

Mar. 14—In Tel Aviv, following an orderly demonstration by workers in protest against growing unemployment, a group of some 300 break through police lines. They throw stones at the city hall and cause other damage.

ITALY

Mar. 31—Conferring with Italian leaders, U.S. Vice-President Hubert Humphrey discusses objections to the proposed treaty to prevent the spread of nuclear weapons. Some 1,000 youths demonstrate against the U.S. outside the Palazzo Chigi as Humphrey confers with Deputy Premier Pietro Nenni.

JORDAN

Mar. 4—Premier Wasfi al-Tall resigns. King Hussein asks Sherif Hussein ibn Nasser to form a new government.

KOREA, PEOPLE'S DEMOCRATIC REPUBLIC OF (NORTH)

Mar. 5—An official North Korean broadcast

discloses that the U.S.S.R. and North Korea have signed a new defense pact.

KOREA, REPUBLIC OF (SOUTH)

(See *U.S., Foreign Policy*)

LAOS

Mar. 23—A radio broadcast announces that General Kong Le, commander-in-chief of the neutralist forces, is ousted following a "decision taken by the high military council of neutralist officers." He will be replaced by Colonel Sompert, one of Kong Le's top officers.

NIGERIA

Mar. 13—The military governor of Nigeria's Eastern Region, Lieutenant Colonel Odu-megwu Ojukwu, warns that "the East will secede if attacked . . .," either physically or by an economic blockade.

Mar. 17—The federal military government issues a constitutional decree restoring a large degree of autonomy to the 4 regions of the federation. The federal government retains some emergency powers despite objections by the Eastern Region.

POLAND

Mar. 1—Poland and Czechoslovakia sign a 20-year treaty of military assistance and friendship.

SIERRA LEONE

Mar. 21—The leader of the All-Peoples Congress Party, Siaka Stevens, is sworn in as prime minister. He is immediately placed in custody by the army. The army chief, Brigadier David Lansana, proclaims martial law and declares that Stevens should not have been asked to form a government.

Mar. 24—A group of army officers seizes power. Brigadier Lansana is arrested and former Prime Ministers Sir Albert Margui and Siaka Stevens are placed in protective custody. A radio announcement discloses that the army and police have formed an 8-man "National Reformation Council."

Mar. 25—It is reported that Lieutenant

Colonel Ambrose P. Genda, second secretary of the Sierra Leone mission to the U.N., has been ordered to return home to head the National Reformation Council.

Mar. 26—The National Reformation Council dissolves the house of representatives and assumes legislative and executive powers.

Mar. 27—The National Reformation Council, reversing itself on Genda, asks Lieutenant Colonel Andrew Juxon-Smith to head the council.

SOUTH AFRICA, REPUBLIC OF

Mar. 21—Prime Minister Balthazar J. Vorster offers self-determination to Ovamboland, the largest and most heavily populated region of South-West Africa. He promises either complete independence or "some other relationship with other nations" to Ovamboland. His message is conveyed by M. C. Botha, minister of Bantu administration and development, to a gathering of Ovamba tribal leaders.

SOUTH ARABIA, FEDERATION OF Aden

(See also *U.S., Foreign Policy*)

Mar. 1—An Arab boy and a man are killed by British troops during the second day of street demonstrations. It is reported that last night 2 British women were killed.

SPAIN

Mar. 3—*The New York Times* reports that the freedom of worship bill, as approved by the Spanish council of ministers and the *Cortes*, was altered from its original, more liberal version.

SYRIA

Mar. 2—The Iraq Petroleum Company announces that it has agreed to increase by 50 per cent the rental fee paid to Syria for the use of a pipeline through Syrian territory. After a 3-month suspension, Iraqi oil begins to flow through Syria again.

THAILAND

Mar. 9—Premier Thanom Kittikachorn tells

the Thai people that U.S. planes based in Thailand are being used to bomb North Vietnam.

U.S.S.R., THE

(See also *Intl, Disarmament; U.S., Foreign Policy*)

Mar. 6—Soviet Premier Aleksei N. Kosygin condemns the U.S. for failing to respond to Hanoi's offer to open peace talks in exchange for cessation of U.S. bombing attacks. Kosygin warns that Communist aid to North Vietnam will be stepped up to meet any U.S. escalation.

Mar. 9—*The New York Times* reports that Svetlana Alliluyeva, the daughter of Joseph Stalin, defected from the Soviet Union during a visit to India.

Mar. 10—The general secretary of the Soviet Communist Party, Leonid I. Brezhnev, speaking at an election rally in his campaign for reelection to the Supreme Soviet of the Russian Republic, rejects West Germany's offer to promote contact with East Europe.

Mar. 11—The Supreme Court of the Russian Republic annuls the 3-year labor-camp sentence imposed on an American tourist, Buel Ray Wortham, in December, 1966. The Supreme Court imposes a fine of 5,000 rubles (\$5,500). Wortham was accused of stealing a statue of a bear and buying rubles on the black market.

Mar. 12—In 9 of the 15 Soviet republics, elections are held for the parliaments (district Supreme Soviets). Ex-Premier Nikita S. Khrushchev votes in Moscow for the Supreme Soviet of the Russian Republic.

Tass (official press agency) announces that the length of Svetlana Alliluyeva's trip abroad is her "private affair." She is "visiting" in Switzerland.

Mar. 16—Former U.S. Vice-President Richard M. Nixon arrives in Moscow. He is not met by any Soviet officials, who refused his requests to meet with them.

Mar. 18—*Tass* announces that 2 Chinese diplomats, a first secretary and a third secretary in the Chinese embassy, have been ordered to leave.

Mar. 27—*Tass* reports that Red Guards attacked a Soviet embassy car in Peking; Soviet diplomats were detained over 6 hours.

Mar. 28—Minister of the Merchant Marine Viktor G. Bakayev announces that the Soviet Union will open to other nations its northern sea route linking Europe and Asia via the northern coast of Siberia. The route is kept open 150 days a year by the use of Soviet icebreakers; much of the route is within Soviet territorial limits.

Mar. 31—Minister of Defense Rodion Y. Malinovsky dies.

UNITED KINGDOM

Mar. 9—At a news conference in the Grand Duchy of Luxembourg, British Prime Minister Harold Wilson hints that application to the E.E.C. will soon be made. (See also *Intl, European Economic Community*.)

Mar. 15—The Treasury reports that, in 1966, Britain's international payments deficit fell to \$529 million. In 1965, the deficit was \$974 million.

Mar. 22—In a white paper entitled "Prices and Incomes after June 30, 1967," the government declares that its ban on pay increases will remain in effect until July, 1968.

The House of Commons votes to convert British currency to a decimal \$2.80 pound, divided into 100 new pence.

UNITED STATES, THE,

Agriculture

Mar. 15—The National Farmers Organization orders its members to withhold milk in a 25-state area stretching from New York to Idaho in an effort to force up the price.

Mar. 29—The Justice Department files a civil antitrust suit in the Federal District Court in Des Moines, Iowa, against the National Farmers Organization. The suit charges that the N.F.O. is trying to monopolize milk sales in a 19-state area. The Justice Department asks that the N.F.O. be prohibited from using violence, harassment

and other means to prevent processors, carriers and independent farmers from taking their milk to market. The suit does not attack the milk withholding action by members of the N.F.O.

Mar. 30—In Des Moines, Iowa, U.S. District Judge Roy Stephenson issues a 10-day temporary injunction against terrorist acts by the N.F.O.

The secretary of agriculture, Orville L. Freeman, suggests that President Lyndon B. Johnson should impose import quotas on dairy products; Freeman asserts that dairy imports rose by 300 per cent in 1966.

Mar. 31—N.F.O. President Oren Lee Staley announces that dairy farmers will begin to sell their cows for slaughter as part of the drive to force up milk prices.

Civil Rights

Mar. 1—In Hattiesburg, Mississippi, federal indictments are issued against 12 men, including the Imperial Wizard of a Mississippi Ku Klux Klan, on charges of conspiracy in the 1966 death of Vernon Dahmer, a Negro leader.

Mar. 20—*The New York Times* reports that, at a weekend meeting in New York, 47 of the wealthiest and most prominent American Negroes in the business and professional world agreed to raise \$1 million annually to help pay legal fees for persons pursuing their civil rights. They will form an organization known as the National Negro Business and Professional Committee for the Legal Defense Fund. The N.A.A.C.P. Legal Defense-Education Fund will be the recipient of the money.

Mar. 21—Attorney General Ramsey Clark announces that the Justice Department has filed suit in federal court in Montgomery, Alabama, against the Dale County, Alabama, board of education for failing to keep the school desegregation promises it made to maintain the flow of federal funds.

Mar. 29—In New Orleans, Louisiana, the full U.S. court of appeals for the fifth circuit affirms a decision by its 3-judge panel that 6 southern states must integrate all

public schools from kindergarten on starting in the fall of 1967. The court adopts the U.S. Department of Health, Education and Welfare's guidelines as the standard the 6 states must meet. The 6 states are Alabama, Florida, Georgia, Louisiana, Mississippi and Texas.

Mar. 30—Alabama Governor Lurleen B. Wallace asks the Alabama legislature, meeting in joint session, to give her control of the public school system. She would then challenge the federal government to enforce its desegregation orders. The legislature is asked to consider whether more state troopers may be needed to protect Alabama's school children from federal court orders.

Economy

Mar. 4—President Johnson announces that the Federal National Mortgage Association (Fanny May) has been authorized to spend \$300 million more to purchase federally insured mortgages on new houses selling for under \$17,500. Other measures to promote the construction industry are also announced.

Mar. 10—Volume on the New York Stock Exchange reaches 14.9 million shares, the second greatest trading day in the history of the Exchange. The volume is surpassed only by the 16.41 million shares traded on October 29, 1929.

Mar. 17—President Johnson orders that \$791 million in federal funds for highway construction and other purposes be released. The funds were frozen in December, 1966.

Foreign Policy

(See also *Intl, Disarmament; German Federal Republic*)

Mar. 1—In a Senate amendment to a resolution authorizing \$4.5 billion in additional appropriations for the Vietnamese War, the U.S. Senate declares its support for the Geneva accords of 1954 and for an international meeting to bring an "honorable conclusion" to the war.

Arthur Goldberg, U.S. representative at the U.N., arrives in Vietnam.

Mar. 2—In a major foreign policy speech on the floor of the Senate, Senator Robert Kennedy (D., N.Y.) proposes that the U.S., in a test of the sincerity of statements by North Vietnam, halt bombing attacks on North Vietnam while declaring that it is prepared to open negotiations within a week. (See *Current History*, April, 1967, pp. 247 ff.)

U.S. Secretary of State Dean Rusk declares that proposals "similar" to Kennedy's have been rejected by the North Vietnamese.

President Johnson announces that Soviet Premier Aleksei N. Kosygin has "confirmed the willingness of the Soviet government to discuss means of limiting the arms race in offensive and defensive nuclear missiles." (See also *Intl, Disarmament*.)

Mar. 3—The U.S. State Department issues a statement warning the U.A.R. and other powers not to intervene in the South Arabian Federation, where fighting continues between terrorists and British soldiers. (See also *South Arabian Federation*.)

Mar. 6—Arthur J. Goldberg returns from a 5-nation trip to Southeast Asia to appear before the Senate Foreign Relations Committee. The trip, requested by President Johnson, will be resumed later.

Mar. 8—At an Americans for Democratic Action news conference, Arthur M. Schlesinger, Jr., a vice-chairman of the A.D.A., asserts that the U.S. is not interested in negotiations with North Vietnam. Otherwise, the U.S. "would have ended bombing as the Russians suggested, and let the burden of delivering Hanoi to the conference table fall to Moscow."

Mar. 9—At a news conference, Johnson credits Vietnam policy critics with "the same sincerity that I reserve for myself."

Mar. 14—Following his arrival in Washington, D.C., visiting South Korean Premier Chung Il Kwon confers with President Johnson. Johnson promises to give modern arms and equipment to the South Korean army.

The U.S. State Department announces that starting tomorrow its ban on travel to

Albania by American citizens will be lifted.

Mar. 15—Speaking before the Tennessee legislature in Nashville, President Johnson reasserts the United States determination to pursue the Vietnamese war "until an honorable peace can be negotiated." He announces that U.S. Ambassador to Vietnam Henry Cabot Lodge will soon complete his second tour of duty there; he names Ellsworth Bunker to replace Lodge. Johnson also names the U.S. Ambassador to Pakistan, Eugene M. Locke, to replace the Deputy U.S. Ambassador in Vietnam, William J. Porter.

Mar. 16—The U.S. Senate approves, 66-28, a consular treaty with the Soviet Union.

Mar. 20—President Johnson, at Nimitz Hill, Guam, meets with South Vietnamese Premier Nguyen Cao Ky and Lieutenant General Nguyen Van Thieu, South Vietnamese chief of state.

Mar. 21—U.S. officials report that a few days ago the U.S. signed a \$150-million economic aid pact with South Vietnam.

At Guam, President Johnson introduces his 3 new chiefs of U.S. civilian operations in South Vietnam, including Ellsworth Bunker. Johnson also confers with General William C. Westmoreland, U.S. military commander in Vietnam.

President Johnson returns to the U.S.

Mar. 22—The U.S. State Department acknowledges that Mrs. Alliluyeva (Stalin's daughter) was granted a U.S. visa; the visa facilitated her departure from India. (See also *U.S.S.R.*)

Mar. 23—In his first speech on the Senate floor, Senator Edward W. Brooke (R., Mass.), back from a 2-week tour of Southeast Asia, declares that he has changed his opinion that the U.S. ". . . ought to take the first step toward creating a better climate for negotiations." Now, Brooke says, "I believe the burden of responsibility has shifted from the United States to the Hanoi Government."

Mar. 25—Martin Luther King leads 5,000 persons in a demonstration in Chicago to protest U.S. involvement in Vietnam.

Mar. 26—Vice-President Humphrey departs

on an informal 2-week tour of West Europe.
 Mar. 27—A captain of a Russian trawler, convicted of violating U.S. fishing waters, is released from an Alaskan jail after the U.S.S.R. pays his \$10,000 fine.

A report by the Senate Preparedness Investigating Subcommittee, headed by Senator John Stennis (D., Miss.) is made public; the report recommends that bombing restrictions on U.S. attacks over North Vietnam be suspended and that the air war be escalated.

Mar. 28—Premier Mohammad Hashim Maiwandlal of Afghanistan meets with U.S. President Johnson. Maiwandlal is on a 2-week visit to the U.S.

Mar. 31—President Johnson signs the instruments of ratification for the U.S.-U.S.S.R. consular convention—the first U.S. bilateral treaty with the Soviet Union in 50 years. (For text, see *Current History*, Nov., 1964, p. 303.)

Government

Mar. 1—By a vote of 307 to 116, the House of Representatives votes to exclude Adam Clayton Powell (D., N.Y.) from the 90th Congress, disregarding the House's special investigating committee's recommendation of censure. The House Speaker will notify the Governor of New York that the seat for its 18th district is vacant. Under New York law, a special election will be held. (See *Current History*, April, 1967, p. 255.)

Mar. 6—In a special message to Congress, Johnson asks for a 4-year extension of the draft law (due to expire June 30). The President announces that he plans to decree by executive order no later than January 1, 1969, that 19-year-olds be called first for military duty and that most graduate student deferments be abolished. Most occupational deferments are also to be eliminated. He also declares that by the same date he plans to establish a lottery to determine which 19-year-olds, from a pool of draft eligibles, will be called. Undergraduate student deferments are undecided.

Mar. 8—In a federal district court in Washington, D.C., Adam Clayton Powell and 13 voters from his congressional district file suit claiming that Powell's deprivation of his House seat is unconstitutional. The action names House Speaker John W. McCormack and several other House leaders as defendants.

Mar. 9—President Johnson asks Congress to restore the 7 per cent investment tax credit for business expenditures.

Mar. 10—Ramsey Clark is sworn in as the 66th U.S. Attorney General.

Mar. 11—President Johnson appoints Richard B. Smith to serve on the Securities and Exchange Commission, succeeding retiring Byron D. Woodside.

Mar. 13—Hearings by the Senate ethics committee investigating the affairs of Senator Thomas J. Dodd (D., Conn.) open. It is disclosed that Dodd used \$28,588 of the money raised by a testimonial dinner to repay a personal loan.

In a special message, President Johnson asks Congress to increase Latin America's share of United States aid by \$1.5 billion during the next 5 years, or by 30 per cent annually.

Mar. 14—President Johnson, in a special message to Congress, urges Congress to support his antipoverty programs for assisting the urban and rural poor. In particular, Johnson asks Congress to appropriate \$2.06 billion for the Office of Economic Opportunity.

Mar. 17—President Johnson, in a message to Congress on government personnel and organizational problems, discloses that he has deferred the merger of the Labor and Commerce departments, particularly because of labor opposition to the plan.

In New Orleans, Louisiana, a panel of 3 judges of the Orleans Parish (county) criminal court decides that there is sufficient evidence for bringing Clay L. Shaw, a retired New Orleans business executive, to trial on charges of conspiring to assassinate John F. Kennedy.

Mar. 21—The Department of Health, Education and Welfare announces that it has

imposed strict air pollution limits to restrict the amount of sulphur oxide gases that can be released into the atmosphere from federal buildings in New York, Chicago and Philadelphia.

Mar. 22—The White House announces that the ex-Governor of Minnesota, Karl F. Rolvaag (D.) will be nominated as ambassador to Iceland. The President also sends to the Senate his nomination of Ambassador-at-Large Ellsworth Bunker to become Ambassador to South Vietnam. Ambassador to South Vietnam Henry Cabot Lodge is appointed ambassador-at-large.

In New Orleans, a grand jury indicts Clay L. Shaw for conspiring to kill President Kennedy.

Mar. 24—President Johnson announces that he has ordered a long-range study of the nation's foreign trade policy.

Mar. 27—The governors of New York, New Jersey and Pennsylvania announce that they will establish a regional agency to fight air pollution.

Mar. 28—The Advisory Commission on Intergovernmental Relations (a 26-member bipartisan body established by Congress), in its eighth annual report, warns that the "tremendous task of financing, servicing and governing metropolitan America clearly poses the greatest challenge to federalism since the civil war." State governments are criticized for lack of participation in coping with urban problems.

President Johnson, addressing some 600 law enforcement leaders, at the Justice Department's 2-day national conference on crime control, deplores the fact that more Americans die of homicide than die fighting in Vietnam.

According to *The New York Times*, the Defense Department is reported to be trying to suppress a report by the Senate Preparedness Subcommittee under Chairman John Stennis. The report charges that in the spring of 1966 there was a serious lack of Air Force munitions in South Vietnam and that a shortage of certain items, including bombs, still exists.

Mar. 29—President Johnson reappoints William McChesney Martin, Jr., as chairman of the Federal Reserve Board. It is announced that at the end of April, Charles N. Shepardson will retire from the Federal Reserve Board.

At the seminar for law enforcement leaders in Washington, D.C., the chief of the Justice Department's Organized Crime Section, Henry E. Petersen, charges that the International Brotherhood of Teamsters and the International Longshoremen's Union are linked to each other and to Cosa Nostra. "In the upper echelons, they have more than an effective liaison between the I.L.A., the Cosa Nostra and the Teamsters."

The New York Times reports that officials of the Department of Housing and Urban Development have revealed that, in an amendment to the department's low-rent housing manual, an attempt is being made to avoid perpetuating ghetto life: now local public housing agencies, to qualify for federal funds, must choose public housing sites "outside the areas of racial concentration."

President Johnson orders the Central Intelligence Agency to stop giving secret funds to private voluntary organizations except in cases in which the secretaries of State and Defense find an "overriding national security" reason; even in such cases, educational, philanthropic and cultural groups will be excepted. Under Secretary of State Nicholas deB. Katzenbach headed the committee suggesting the new policy.

Mar. 30—The National Traffic Safety Agency rejects appeals by auto manufacturers for changes or delays in 19 of the auto standards issued 2 months ago. The agency agrees to consider modification of the safety requirement for padded car interiors.

Labor

Mar. 1—A federal judge in Chattanooga, Tennessee, orders James R. Hoffa, president of the International Brotherhood of Teamsters, to report March 7 to begin an 8-year prison sentence for jury-tampering.

It is reported that last night the Teamsters' General Executive Board met and voted to give control of the union to Frank E. Fitzsimmons, general vice-president of the Teamsters.

Mar. 7—James Hoffa enters the federal penitentiary at Lewisburg, Pennsylvania.

Mar. 29—In the first national walkout in its 30-year history, the American Federation of Television and Radio Artists strikes 3 television networks: the National, Columbia and American Broadcasting Companies. The Mutual Broadcasting System, a radio network, is also struck.

Mar. 30—The leaders of the International Brotherhood of Teamsters reject the trucking industry's latest contract offer; they order a strike vote among Teamsters over the weekend. The present contract expires at midnight on March 31.

Military

Mar. 4—The National Advisory Commission on Selective Service issues a report to the President on reorganizing the military draft. The report proposes that eligible 19-year-olds be called up first; their names are to be selected by "a system of impartial random selection" from a "draft-eligible pool." (See also *U.S., Government.*)

Mar. 6—The U.S. Military Command announces that the U.S. will report specific figures on war casualties in Vietnam. Heretofore, casualties have been reported as light, moderate or heavy.

It is reported that the Defense Department has decided to place guns on light reconnaissance planes operating in Vietnam.

Mar. 20—Lieutenant General Lewis B. Hershey, Director of Selective Service, testifying before the Senate Subcommittee on Employment, Manpower and Poverty, declares that he now favors a draft lottery, a plan he opposed for many years.

Mar. 30—President Johnson announces that the commander-in-chief of the U.S. Army in Europe, General Andrew P. O'Meara, will resign. He will be replaced by Lieutenant General James H. Polk.

Politics

Mar. 7—In New York City, Republican leaders announce that James H. Meredith, who desegregated the University of Mississippi in 1962, will run against Adam Clayton Powell in a special election set for April 11.

Mar. 8—Jackie Robinson, prominent Negro Republican leader and an assistant to New York Republican Governor Nelson A. Rockefeller, condemns Republicans for running Meredith against Powell.

Mar. 13—*The New York Times* reports that former Vice-President Richard M. Nixon has authorized a "Nixon for President Committee" to be based in Washington, D.C.

James H. Meredith withdraws from the race against Adam Clayton Powell. Last night Meredith conferred with Floyd B. McKissick of the Congress of Racial Equality and Charles Evers, Mississippi field secretary of the N.A.A.C.P. (See also *U.S., Government.*)

Mar. 15—Republican leaders in New York City's 18th congressional district nominate Mrs. Lucille Pickett Williams to run against Adam Clayton Powell.

Mar. 17—New York Senator Robert F. Kennedy tells reporters that Lyndon Johnson is "an outstanding President [whom] I look forward to campaigning for in 1968." There have been several reports of a split between Kennedy and Johnson over Vietnam. (See also *U.S., Foreign Policy.*)

Mar. 20—Friends of Michigan Governor George Romney (R.) open a Romney for President Headquarters in Washington, D.C.

Mar. 26—New Jersey Governor Richard J. Hughes is named chairman of the Democratic National Committee's Special Equal Rights Committee by National Democratic Chairman John M. Bailey. Hughes is charged with making sure that there is fair Negro representation at the 1968 national Democratic convention.

Mar. 27—Senator Robert Kennedy, through his press secretary, Frank Mankiewicz, declares that he will not enter any presidential primaries in 1968 and will remove his

name, if necessary, from the New Hampshire, Oregon and Nebraska primary ballots.

Mar. 31—The Democratic state chairmen end a 2-day meeting in Washington; such a meeting has never been sponsored before by the national party.

Science and Space

Mar. 30—*The New York Times* reports that active training of astronaut crews has been suspended until the spacecraft fire of January, 1967, has been investigated and evaluated.

Supreme Court

Mar. 8—In a friend-of-the-court brief in a case pending, Solicitor General Thurgood Marshall asks the Supreme Court to extend the doctrine of one-man, one vote, to "local governmental bodies whose members are elected from districts and require that those districts be substantially equal in population."

Mar. 20—In a 5 to 4 decision, the Supreme Court rules that the police are not required by the Constitution to divulge the name of an informer. The decision states that the police can arrest a man on the basis of a tip by an unidentified informer, search him without a warrant, and use the evidence thus obtained to convict him, all without revealing the informer's identity.

URUGUAY

Mar. 1—Oscar Diego Gestido (retired air force general) is inaugurated for a 5-year presidential term.

VATICAN, THE

Mar. 28—Pope Paul VI issues an encyclical, "On the Development of Peoples," urging an end to the world's suffering. He declares that the disparity between "haves" and "have nots" on an individual and nation-state basis must be leveled.

VIETNAM, DEMOCRATIC REPUBLIC OF (NORTH)

(See also *Intl, U.N., War in Vietnam*)

Mar. 1—In an interview with a correspondent for *Agence France-Presse*, Premier Pham Van Dong declares that there is no likelihood that peace talks will take place soon because of the continuing U.S. aggression.

VIETNAM, REPUBLIC OF (SOUTH)

(See also *Intl, War in Vietnam; U.S., Foreign Policy*)

Mar. 9—By a vote of 92-7, the constituent assembly votes to remain in power until a president and legislature have taken office.

Mar. 14—A 5-man delegation representing the predominantly military junta tells the constituent assembly that it cannot extend its powers; the military plans to stay in power until a president and legislature have been elected.

Mar. 17—The chief-of-state, Lieutenant General Nguyen Van Thieu, sends an ultimatum to the constituent assembly ordering it to accept the junta's proposals for modifying several constitutional provisions; otherwise it faces the junta's vetoes.

Mar. 18—The constituent assembly unanimously adopts the draft of a new constitution. Although many concessions are made to the junta, some demands made recently by Nguyen Van Thieu are not met.

Mar. 19—The ruling military junta approves the draft constitution.

Mar. 27—The Armed Forces Congress (or junta) approves the South Vietnamese constitution. It will take effect on Saturday, April 1. The junta also decrees that elections for president, vice-president and senate will be held September 1. The lower house elections are scheduled for October 1.

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